



Local government and social enterprises in Tasmania: exploring relationships that build community value

by

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STATEMENT OF ETHICAL CONDUCT

The research associated with this thesis abides by the international and Australian codes on human and animal experimentation, the guidelines by the Australian Government's Office of the Gene Technology Regulator and the rulings of the Safety, Ethics and Institutional Biosafety Committees of the University.

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GLOSSARY OF CONCEPTS

Active citizenship - citizens are involved in local communities and democracy at all levels.

Agent of place - a role of advocacy for the people of that place.

Amalgamation - the action of combining institutions (eg local government) to achieve financial and operational efficiencies.

Central government - the highest tier of government at a federal level with distinct powers at various levels authorised or delegated to by its member states.

Civic leadership - a citizen or citizen group that identifies, analyses, and solves social needs through governance and community engagement.

Community - a community is a place defined by geography or its spatial characteristics. It is also defined by the identity and emotional connection attributed to it by citizens of place.

Community development - is collaborative community action or agency intervention within a community to solve local social dilemmas.

Community engagement - a process of collaboration between local government and communities.

Community governance (democratic governance) – enables communities to shape social outcomes and positively influence social inclusion and social capacity within local communities through community participation and collaborative decision-making.

Community empowerment - an enabling of communities through community engagement and collaboration to increase/improve local social outcomes.

Community of place - is a community of people who are bound together because of common interests (eg neighbourhood, church, and workplace).

Community Value – the collective value ascribed to a community network or social cluster which is placed on the contribution or investment made by organisations to the socio-economic development of a local community.

Council - an elected administrative body formally constituted by other levels of government (eg local government).

Democracy - a system of government through elected representatives.

Development actors - individuals or organisations that organise community development within local communities.

Discursive Institutionalism - a concept that focuses on meaningful ideas and the interactive process of communicating those ideas.

Entity – An organisation, institution, establishment or body that exists as itself.

Governance - Governance is the process by which decisions are taken and implemented; the process by which organisations go about achieving their goals and producing their outputs and the process by which organisations are directed, controlled and held to account. It encompasses authority, accountability, stewardship, leadership, values and culture within the organisation.

Institution - a relatively enduring collection of rules and organised practices, embedded in structures of meaning and resources that are relatively invariant in the face of turnover of individuals and relatively resilient to the idiosyncratic preferences and expectations of individuals and changing circumstances (March and Olsen, 2005).

Institutionalism - adherence to or belief in established organisational and/or governance forms (eg local government)

Knowledge sharing - an activity of exchanging knowledge between organisations/communities to build local social capital.

Local government reform - restructuring of governance and operations within local government to improve efficiency and economic sustainability.

Localism - is a philosophy which prioritises the local (eg local produce, local culture, and local identity).

Modernisation – is a progressive transition from a historical or traditional format or arrangement to a new contemporary arrangement.

New Public Management - a system of administration and governance which emphasises that ideas used in the corporate (private) sector must be successful in the public sector (eg local government).

Place-shaping - is the way local stakeholders (eg local government) use their influence, resources, expertise and creativity to create attractive, safe and prosperous communities.

Public value – the substantive value which citizens ascribe to the contribution public sector organisations make towards creating value for their communities.

Sense of place - is place attachment and/or identity that is deeply felt by local inhabitants (and visitors).

Social capital - the networks of relationships among people who live and work in a particular society, enabling that society to function effectively.

Social capacity - is people's ability to work together.

Social economy - the third sector between private (business) and public sectors (government).

Social entrepreneurship - is the attempt to draw upon business techniques and private sector approaches to find solutions to social, cultural and environmental problems.

Social enterprises - are organisations (sometimes described as an entity and a movement) that use the power of the market place to solve the most pressing societal problems. They are businesses that exist primarily to benefit the public and the community, rather than their shareholders and owners. Social enterprises are commercially viable businesses with a purpose of generating social impact.

Collectively, Australian social enterprises are multi-resource organisations, relying on a combination of paid and unpaid workers, in-kind contributions, and earned income and other income streams to fulfil their mission (Social Traders, 2014: 1). Typologies of social enterprises include: hybrid, cooperatives, fair trade organisations, intermediate labour market companies, charitable business ventures, social firms, community enterprises, community development finance institutions, and Australian disability enterprises.

Social enterprise sector – a collection of social enterprise organisations which can also be described collectively as an entity.

Social impact – a significant, positive change within society as the result of a deliberate set of activities that address a pressing social challenge.

Social innovation - is a creative solution to a social problem that is more effective, efficient, and sustainable than current solutions.

Social investment - is a tool to help increase social impact through philanthropic mechanisms/initiatives facilitated by corporations, public institutions or private enterprise.

Social mission - the mission of an organisation through its activities, products and services to create positive social impact.

Social return on investment - is a method of measuring social value relative to resources invested.

Author's Note: To give an indication of meaning, the above explanations of concepts have been drawn from many areas of mainstream literature including the Collins Dictionary (2013) and Macquarie Dictionary (2016) (online) and Google Search.

ABSTRACT

Local government and social enterprises are significant development actors in local communities. Local governments are representatives of the people as agents of place. As agents of place, the primary role of local government is to shape place for the people through community engagement and community development. Social enterprises are businesses as well as social change agents, engaging citizens in local communities to build capacity and social capital. This thesis explores the nature of cross-sectoral relationships between local government and social enterprises, and their potential for public value creation. There has been little academic interest in community value creation through relationships between social enterprises and local government. This study contributes to understanding the nature and extent of existing relationships between local councils and social enterprises and the possible influence of these relationships on community capacity building.

Local government is being challenged to reform its role and rethink how it engages with community, and to recognise that communities can create change. There is an emerging policy interest in social enterprises as social change agents and development organisations within local community. This research examines the relationship between local government and social enterprises as it plays out in particular communities of place in the island State of Tasmania.

The research is conducted within the framework of the constructivist-interpretive paradigm utilising an eSurvey and case study methodology. The purpose of the constructivist approach is to capture diverse, reflective and experiential knowledge on the perceived social reality of participants. The research focuses on the interface and logic of relationships between local government and social enterprises. Over half of 29 councils in Tasmania responded to the eSurvey, and twenty six qualitative interviews were undertaken with four case study councils and eight case study social enterprises.

The research demonstrates a bureaucratic top-down approach that local government takes to community development, compared to a high level of self-initiated and self-organisation of community development by social enterprises. The research also illustrates the strength of social enterprises in their entrepreneurial responsiveness to finding local solutions to local issues, and suggests social enterprises have a potential role in community development partnerships with local government. And while each contributes significantly to public value, it is clear from the results that the idea of cross-sectoral collaboration to provide local solutions to local problems is not yet

considered an option by either local government or social enterprises. Most councils struggle to understand the potential for social enterprises to contribute to the economic as well as the social fabric of their communities.

The results from this research are important to scholars researching cross-sectoral relationships that create public value. They are also of importance to local government and social enterprise practitioners within the community development space. This study contributes to knowledge of both local government and social enterprises by developing a conceptual framework to guide analysis and understanding of the complexities and dynamics of existing relationships between these two diverse organisations. The study suggests further research to examine the potential of cross-sectoral relationships between local government and community organisations such as social enterprises, as a strategic mechanism to resolve local social issues.

The research illustrates that community is the common factor between these local government and social enterprises. Community is where each organisation operates, serves the people and engages with citizens of community. Therefore, community is identified as a potential terrain for collaboration.

CHAPTER 1: INTRODUCTION

1.1 WHY LOCAL GOVERNMENT AND SOCIAL ENTERPRISE?

Local government and social enterprises play a pivotal role in community as agents of place to shape place for the people, but from different perspectives. This thesis explores the complexities and dynamics between these two diverse entities. The idea of relationships between these two entities has not received much attention academically, and this research has coincided with the impetus for reform of local government in Tasmania. The purpose of this study is to use a qualitative case study approach to generate a real world understanding of local government and social enterprises in Tasmania. This chapter provides an overview of the study, and establishes the significance of and motivation for the research.

Local government in Australia is highly regulated by State and Territory legislation, for example the *Local Government Act 1993 Tasmania*. The complexities of local government in Australia are compounded by the broader issue of emerging multi-dimensional social needs of local communities (Chambers 1983 and Pritchard and McManus, 2000). Furthermore, as the tier of government closest to the people, local government has a significant community development role to play in this arena. Local government is the most efficacious government vehicle for meeting on the ground needs of the people, locally (Dollery et al. 2003). Citizens are pushing for greater public input into local government policy development to build accountability in the statutory functions of local government (Taylor and Zenkteler, 2016, Ombler et al. 2016). Not only are community expectations increasing, but there is also an expectation by other levels of government for local government to review how it engages with community to meet emerging social needs more responsively.

Australian Local Government Association (2016) and Martek (2016) raise concerns about the ongoing legacy of these expectations, particularly for rural and regional Australia. Australian Local Government Association (2016) also raises concern for the pressing need for local governments in these areas to devote a growing level of resources to provide services, and emphasises an equally pressing need for the restoration of government funding sources to support sustainability and growth of local government and its communities.

An extensive range of literature including public policy, organisational theory, and public administration identifies that community organisations such as social enterprises are also key players in local social and economic development (Defourney and Nyssens, 2008a, Defourney and Nyssens, 2008b, Kerlin, 2010). Additionally and without reservation, Harding (2004) went so far as to suggest that social enterprises are the ‘new economic engine’ because of their contribution to mainstream and social economies.

However, a range of literature contests the term social enterprise, thus creating theoretical uncertainty about the social enterprise concept. The term social enterprise has mixed meanings which are determined by legal, cultural, operational and social boundaries established by the country in which they exist (Johnson and Spear, 2006, Defourney and Nyssens, 2008, Kerlin, 2009, Triantafyllopoulou, 2012). These boundaries create distinctive social enterprise groups or units, as well as social enterprise/organisational categories and frameworks within which these organisations can legally operate. Social enterprises have been operating across blurred sectoral boundaries with activities underpinned by market-based ideologies to create local socio-economic value (Grant and Dart, 2014). It is this proposition that the social enterprise concept crosses such a wide spectrum of form and function possibilities that has created difficulty of definition.

In Australia, the social enterprise concept is not widely known for what it does and how it operates (Duniam and Eversole, 2013). Barraket et al. (2010: 16) defines social enterprises as organisations that:

- a. are led by an economic, social, cultural, or environmental mission consistent with a public or community benefit;
- b. trade to fulfil their mission;
- c. derive a substantial portion of their income from trade; and
- d. reinvest the majority of their profit/surplus in the fulfilment of their mission.

A simpler working definition is proposed by Duniam and Eversole (2013: 5) which “defines social enterprises as organisations that use trading activity to achieve a social mission.” The community development activities of local government and social enterprises are identified within case studies as becoming an increasingly important activity, with each entity having a common interest in developing community health and well-being, but from different perspectives. In this regard, it is evident that local government and social enterprises operate as ‘agents of place’ within local

community, but from different perspectives (Verity, 2007). Local government is an agent of place through its governance role, civic leadership, stewardship, advocacy and service delivery. Social enterprises are also agents of place, empowering communities through a bottom-up engagement and participatory governance processes to address local social deficits or leverage local assets.

This raises questions about how each entity (organisation or movement) determines the needs of community and how these needs are addressed. Studies demonstrate that each entity engages with multiple communities at a local level, but with different approaches and different outcomes (McIntosh et al., 2008, McNeill, 2009, Social Traders, 2011). As a representative democracy, local government engages with community through a top-down democratic system of governance and government. Social enterprises on the other hand, promote citizen participation through bottom-up community engagement mechanisms, empowering local citizens to solve local issues. This apparent convergence of goals generated the idea of a potential terrain for collaboration between local government and social enterprises to provide common solutions to local social issues at a local community level.

1.2 AIM AND RESEARCH QUESTIONS

The purpose of this study is to explore the various dimensions of current and potential future relationships between local government and social enterprises in Tasmania. This study researches the nature of community development processes and mechanisms initiated by local government in Tasmania. This study also questions the potential for ‘reshaping’ the role of local government in Tasmania, with particular emphasis on how local councils engage with their communities. This is of particular interest in determining nature and extent of relations with social enterprises in Tasmania. The author considers that the results from this study are important to scholars researching cross-sectoral relationships that can create public social value, and also of importance to local government and social enterprise practitioners within the community development space.

This study will:

- a) Generate understanding of the contemporary role of local government.
- b) Generate knowledge and understanding of local community organisations such as social enterprises and their role within community, in particular local socio-economic development.

- c) Identify examples of relationships between local government and local social enterprises.
- d) Identify the nature and structures of collaboration between local councils and local social enterprises.
- e) Provide useful information on factors that have impact on and/or contribute to the successful (or unsuccessful) engagement and/or partnerships between local government and social enterprise.
- f) Support and enrich theoretical modelling of engagement and partnerships between local government with social enterprises.
- g) Inform local government and social enterprise entities in Tasmania of the potential value of interdependent relationships.

Why, given similarities between local government and social enterprises, there is not more of a well-developed set of relations? In this context, this study seeks answers to the following primary question: ***What is the value proposition of a relationship between local government and social enterprises in Tasmania?***

The study is guided by the following secondary questions:

1. What challenges and trends are shaping the current and future of local government in Tasmania?
2. What is the nature of existing relationships between local government and social enterprises in Tasmania?
3. What potential relationships may be possible between local government and social enterprises in Tasmania?

1.3 JUSTIFICATION FOR THE STUDY

1.3.1 The challenge of local government

Local government in Australia is at the cross-roads of reform, reform of structure, reform of operations, reform of governance and in particular reform of its relationships with community (Dollery et al., 2003, Dollery, 2014). This reform agenda is seen as a significant global trend, with emphasis on local government now having to meet increasingly complex challenges of increasing public expectations, globalisation and financial pressures (Department for Communities and Local Government, 2006, Lyons, 2007, Evans et al., 2012).

The role of local government is challenged by the changing role of society, and as a consequence is continually under the microscope (Grimsey et al. 2013). Local government is expected to reform to keep pace with the needs of contemporary society (Dollery, 2011). The intent of this reform process is to improve process and accountability to achieve sustainability, so as to effectively manage and survive in ever-changing environments (Martin, 2000).

An element of this reform agenda is the expectation for local government in Tasmania to look beyond its traditional role and seek better ways of community engagement to find local solutions to local problems (Local Government Association of Tasmania and Tasmanian State Government, 2014). Geddes (1998) proposes that the purpose of community engagement by local government must be to develop new relationships through partnerships with community, in particular community organisations as key players in resolving local social and economic dilemmas.

1.3.2 The promise of social enterprises

Community organisations such as social enterprises emerge from community on the international and local social and economic development stage. Social enterprises have generated significant policy interest and government intervention in Europe, particularly in the field of work integration programs (Young, 2001, Galliano, 2005, Defourny and Nyssens, 2010, Baldassarre, 2012, Triantafyllopoulou, 2012, Brouard et al., 2015). Social enterprises in United Kingdom, Canada, the United States and Australia are seen as players in the field of community development also with a focus on building local social capital (Laville and Nyssens, 2001, Young, 2001, Johnson and Spear, 2006, Kerlin, 2009, McNeill, 2009, Downing and Charron, 2010).

Despite these socio-economic activities, the concept of social enterprise is not well-understood globally or in Australia by community and government (Johnson and Spear, 2006, Defourny and Nyssens, 2008b, Barraket et al., 2010, Eversole and Eastley, 2011, Barraket et al., 2012, Duniam and Eversole, 2013). McNeill (2009) suggests that as a consequence of this, government support is relatively marginal because of an identified risk-averse culture within the public service, in particular local government. Therefore, this study is trying to understand the reason for this risk aversion and how it can be overcome.

Nevertheless, the distinctive social innovation and social entrepreneurship activities of social enterprises demonstrate significant contribution to socio-economic sustainability at a local level (Hudson et al., 2002, Galliano, 2005, Verity, 2007, Morisette, 2008,). Douglas and Grant (2014) and Douglas (2014) illuminate the entrepreneurial activities of social enterprises, and explain that entrepreneurship is a process of innovation, resourcefulness and opportunity along a continuum of business and social intentions. It is these social innovation and entrepreneurship activities that demonstrate how social enterprises utilise social and economic opportunities to create social change. The implications of this are that social enterprises create legitimate value within community, and it is this factor that presents opportunity for community collaboration by local government with community sector partners, such as social enterprises.

1.3.3 Key concepts

The following key concepts are identified as integral to the primary research question, underpinning the major aim of the research:

1. Local government – the closest level of government to the people, representing community as an agent of place.
2. Social enterprise – community organisations emerging from community as an agent of place, existing within the mainstream social and economic market and whose mission it is to produce a social and community benefit through entrepreneurial/trading activities that generate a profit to fulfil that mission.
3. Community development – a process aimed at improving the social, economic and environmental situation of the community.

1.4 METHODOLOGY

This study focuses on two categories of organisations that engage with communities in Tasmania:

- local government councils; and
- social enterprises.

A qualitative approach is used for this study, combined with a limited quantitative approach (online survey) and case study methodology further enabling triangulation and validation of data (Babbie, 1999, Burns, 2000, Walter, 2010). The intent of this approach is to garner real world perspectives of participants from local government and social enterprises in Tasmania (Cresswell,

2013). This approach acknowledges particular and/or real phenomena participants express through dialogue, *giving voice* to different perspectives and angles of vision about their world (Guba and Lincoln, 1994, Silverman, 2006). Proximate themes are identified, coded and then grouped to identify key points legitimising them within the context of the research to establish a results framework of influence.

The author acknowledges a position of prior knowledge and experience within both local government and social enterprises. The author has been an elected representative in local government for more than eleven years, and has had executive roles within various local social enterprises. Walter (2010) and Saldana (2011) emphasise that prior knowledge and experience should be considered relevant to the way research may be undertaken, in particular how the researcher sees and understands the world may inevitably filter and frame interpretation and outcomes. In this regard, the author acknowledges the challenges of balancing subjectivity and objectivity including unconscious biases, and has made a conscious effort throughout the research process with continual reflection during interviews and data analysis to present balanced perspectives and results.

The author acknowledges that the choice of local government and social enterprises within the island of Tasmania may limit generalisability of results, based on political, social and economic challenges that may differentiate this sample from other areas of Australia. However, this case study methodology has identified significant insights that may be applied across the spectrum of relationships between local government and social enterprises.

The first phase of the study comprises desktop analysis/literature review of books, journals and web pages to determine the nature, extent and purpose of relationships between local government and social enterprises. Analysis presents structural and/or historical insights into hidden contradictions within governance models of local government and social enterprises.

The second phase is a preliminary eSurvey of Tasmanian local government general managers across all twenty nine local councils to identify the type/extent of current relationships with social enterprises. Data from this eSurvey will identify potential cases to be determined against key variables as listed below:

- Nature of local government engagement with social enterprises;
- Geographical location of local government; and

- Size of local government (population, area, numbers of staff, income, etc.)

Selection of four case study councils is the third phase of the research. It is intended to make an initial selection of around seven councils from respondent councils based on eSurvey data representing their relationships with social enterprises. To further differentiate between the seven councils for a final selection of four case study councils, a review of online (website) profiles and ABS statistics will be undertaken to provide insight into size and location of each municipal area.

The fourth phase of the research is to conduct semi-structured interviews with each case study council (a selection of elected representatives, general managers and council officers) so as to present different perspectives from varying levels of local government. The interview script will make strong reference to identified concepts within the literature review, particularly the role of local government and its relationships with social enterprises. All transcriptions will be manually transcribed and coded in preparation for analysis.

The fifth phase of this research is an online review of all case study council Minutes of General Council Meetings over a period of twelve months (January 2014 to December 2014) to determine the nature and extent of community development activities and social/community planning. All other related documents, for example Strategic and Community Plans and Memorandums of Understanding between case study councils and local social enterprises will also be reviewed on council websites to complete case study council data collection.

The sixth phase of the research is selection of eight social enterprise case studies. Case study council data will identify local social enterprises. A matrix showing characteristics and typologies will be developed, allocating each social enterprise to a municipal area showing the relationship it has to its local council. The intent of this phase of the research is to identify those social enterprises that already have a relationship with local government (two per council), and to select those for interview based on location, enterprise characteristics (business model/activities, reason for establishment, social mission), and the established relationship with their local council.

The seventh phase of this research is semi-structured interviews with managers/facilitators, or chairpersons of social enterprise management committees of the eight selected case study social enterprises. The focus of these interviews is the relationship each social enterprise has with local council. The social enterprise interview script will be aligned with the interview script of case

study councils to garner clear perspectives on similar content relating to relationships between each entity. Open-ended questions will be used allowing expansion of questions and probing of responses to allow respondents to present how they see their social enterprise, their functions and governance models, and how they engage with local councils.

Phase four (case study councils) and phase seven (case study social enterprises) interview transcription data will be coded for analysis to reveal themes which will then be grouped for a more in-depth constructivist analysis to identify key points for discussion. These matters are canvassed in Chapter three.

1.5 SIGNIFICANCE OF THE STUDY

There is limited literature (international and Australian) relating to relationships between local government and social enterprises. What is more, local government and local communities have low-level knowledge of the social enterprises and their contribution to local socio-economic development (Johnson and Spear, 2006, Defourny and Nyssens, 2008b, Barraket et al., 2010, Eversole and Eastley, 2011, Barraket et al., 2012, Duniam and Eversole, 2013). This study will be breaking new ground and contribute to understanding the nature and extent of these relationships and their collaborative influence on community health and well-being

The findings of this study will contribute to local government practitioners' understanding of the changing role of local government, including the challenges of government reform to meet unique and contemporary needs of local communities. Findings will also inform community development stakeholders and practitioners, and contribute knowledge relevant to theoretical underpinnings of community engagement and community development. Finally, findings will increase knowledge of the social enterprise concept and this entity's activities, in particular its contribution to local socio-economic value.

Therefore, this research places emphasis on the value of social enterprises as integral to resolving local socio-economic problems, for example unemployment and training. This research highlights strategic social innovation and entrepreneurial activities by social enterprises that engage community and participants to achieve social enterprise social mission. This research also highlights the value of resources (volunteer participants) as a legitimate mechanism for building social capacity and social capital within local community. Furthermore this research identifies

whether there is opportunity for social enterprises as development actors to be a mechanism for and/or part of a community governance process with local government councils, enabling citizens to have a say in their future. Similarly, this research provides opportunity for social enterprises globally and locally to be informed on what is seen to be beneficial to the enterprise and community when seeking and maintaining a relationship with local government councils.

For the author, this study encourages greater understanding of the contemporary role of local government including the push for reform and for local government to play a more significant role in the democratic process by engaging communities to collaborate in solving local social issues. The focus of this study is the community development activities and processes of local government and social enterprises which build and benefit the health and well-being of local community. This emphasises that community is the nexus and common factor between local government and social enterprises. The insights drawn from this study underscore the need to understand the relationship between local government and social enterprises. These insights emphasise the need to develop a coherent conceptual framework to support strategic cross-sectoral collaborations between local government and community organisations such as social enterprises to build reciprocal social capacity and social capital within local community.

1.6 STRUCTURE OF THE THESIS

Chapter one has summarised the aim of the research study and research questions, research methodology, the significance of the research study. The structure of the remainder of the thesis is as follows.

The second chapter, Literature Review provides the conceptual framework of the study identifying gaps in academic literature relating to relationships between local government and social enterprises and justify methods of the study. The aim of this literature review is to conceptualise/understand the separate entities of local government and social enterprises as groundwork for researching the value or potential value of relationships between these two entities in Tasmania.

The Methodology chapter presents the qualitative approach and case study methodology for this study. The chapter explains that this approach allows for a gathering and interpretation of data as evidence of the cognitive and experiential stance of respondents within 'real world settings'. This chapter emphasises the significance of this study in the context of identifying the potential value of relationships between local government and social enterprises in Tasmania.

Chapter Four is presented in three parts: *Findings through the lens of local government*, *Findings through the lens of social enterprise* and *Summary*. Findings through the lens of local government relates what challenges and trends are shaping the current and future role of local government in Tasmania, and how local government engages with community, in particular social enterprises. This section details findings that relate real-world issues and challenges for case study councils in Tasmania. In particular this section presents case study councils' perspectives on what has been changed and how, and what has not been changed and why not. This section also looked at community engagement and community development practices of case study councils to determine the nature, extent and potential benefit of relationships with local social enterprises. The second section of this Chapter looks at the domain of social enterprise and explains the role of local social enterprises in community, what they do, how they do it, and why to achieve their social mission. The findings in this section details the nature, extent and purpose of current relationships these social enterprise case studies have with case study councils. The third section summarises the first two sections, identifying key findings for further discussion in Chapter five.

From here, Chapter five identifies and discusses the similarities and differences between each entity [local government and social enterprise] and indicates how each interacts with community. The discussion highlights collaborations and relationship between the case study councils and case study social enterprises, while at the same time identifying different approaches to and purpose of community engagement with community. This chapter clearly relates the multi-dimensional focus and methods of community and economic development by local government and social enterprises and the multi-dimensional values created by each in their engagement with community.

This concluding chapter revisits the primary research question: *What is the value proposition of a relationship between local government and social enterprises in Tasmania?* and looks at what the future might hold from the perspective of each entity. The conclusions emphasise that while local government and social enterprises approach community engagement and community development from different perspectives, the primary aim of each is to build social capacity and enhance community health and well-being, and that the connection between the two entities is community. In this context, it is suggested that each entity should consider that a collaborative approach will build a solid foundation for keeping pace with contemporary local community needs and achieve collaborative outcomes concluding that local community now has a significant role to play in its own future and the contemporary role of local government in Tasmania.

CHAPTER 2: LOCAL GOVERNMENT AND SOCIAL ENTERPRISES: REVIEW OF THE LITERATURE

The focus of this study is on the concepts of local government and local social enterprises, their defining characteristics, their position and influence within community. This review draws on recognised leading researchers in the local government and social enterprise fields and presents a variety of perspectives to understand the challenges faced by each organisation and how each develop community to build social capacity and social capital. The starting point for exploration of the literature is the proposal that a relationship between local government and social enterprises provides foundation for local value creation, economic and social.

This chapter assesses the contributions of existing knowledge and research of local government and social enterprises, and draws on ideas of community, community engagement and community development. The chapter provides the context of organisational characteristics and environment for local government and social enterprises, and identifies the nature and extent of their relationships with community. The chapter assesses relationships between local government and social enterprises, reviewing current knowledge and practices. Gaps and limitations in the literature are also identified in this chapter which provides signposts towards the knowledge base of relationships between local government and social enterprises, and finally, develops a conceptual and analytical framework to guide this study.

Fundamental questions covered by this review include:

- What current challenges and trends are shaping the future of local government?
- What current relationships exist between local government and social enterprises?
- What potential relationships may be possible between local government and social enterprises?

2.1 UNDERSTANDING LOCAL GOVERNMENT

Local government in Australia is a public sector organisation, and is the third tier of government. It is the level of government closest to the people, and it is the level of government with strong

visual identity within local community (Kenny, 1999, Dollery et al., 2003). Local government in Australia is responsible for services that affect the well-being of citizens and community.

This study is uniquely positioned within the island of Tasmania, a small geographic area of 68,332 square kilometres containing twenty nine local government councils (approximately two hundred and sixty elected representatives) servicing around 500,000 people across urban, rural and remote areas. Demographic indicators of Tasmania (Australian Bureau of Statistics, 2012) demonstrate the predicament of an ageing population and low socio-economic status in many regions of Tasmania, and it is in this environment that local government in Tasmania must review its capacity and identify opportunities to reshape itself for the future.

The following section examines the nature of local government globally and in Australia in terms of history, political, jurisdictional, location and cultural frameworks. This section draws together some of the insights from the literature and places them in the broader thematic context of contemporary local government in Australia.

2.1.1 Nature of local government: quirks and all

To consider local government in a global world, there is a need to make a comparative perspective between Australia and the international local government scene. This allows the operation of local political institutions in Australia to be understood, in particular their legal frameworks and the allocation of functions from higher tiers of government and the impact of size of local government units.

In an international context the role of local government is well documented (Morosan, 1995, Lowndes and Wilson, 2001, Downing and Charron, 2010, Council of European Municipalities and Regions, 2011). It is also evident that there are varied conceptualisations of local government from country to country, suggesting that local governments are rooted historically in different institutional contexts with different political and managerial agendas (Slack, 2003, Marcou and Wollmann, 2005, Guderjan, 2012). McKinlay (2010) also emphasises that these variations of local government models are based on multi-functional territoriality and political systems. In this context Hambleton (2011: 2) said that: ... it follows that we should guard against generalising too freely about how to lead and manage local governments across the world.

Hambleton (2010) proposes that there are three realms of civic leadership in any given locality, and identifies them as political, managerial/professional and community which emphasises the critical role that leaders play in creating new spaces for interaction and local democracy. At the same time, literature highlights that local government is grounded in institutionalism with specific statutory obligations and provision of services to meet local needs (Slack, 2003, Marcou and Wollmann, 2005, Aoki et al., 2009). Considering the unique political, jurisdictional, and cultural contexts of local government, examples of local government internationally present variations for comparison with Australia.

Australian local government is a very young system of government which has been built on the legitimate hierarchical power of the State, and is grounded in the Westminster (British) system of government where central governments (Federal and State in Australia) give authority to local government in policy-making and service delivery (Pillora and McKinlay, 2011). Kelly (2011) makes the point that local government in Australia was slow to develop, and it was only after the British Government granted self-government to several colonies in the 1850s that the establishment of local councils grew rapidly particularly in response to growing urbanisation and local infrastructure needs. There are similarities for Australia with Canada as both are members of the Commonwealth of Nations, and each country was established as outposts by the British Government.

Despite the links Australia and Canada have to the Westminster system of government, local government in the United Kingdom (UK) operates under either a one-tier system [unitary authorities] or a two-tier system (county and district councils). It is evident however, that administrative power and functionality of local government in the UK is strongly influenced by the ruling political parties at the time (Wollman, 2004).

Australia has three tiers of government [Federal, State and local], and Dollery et al. (2003: 1) describes local government in Australia as constitutionally subordinate to higher levels of government, which he says:

... is vividly illustrated by the fact although both the Commonwealth and state and territory governments are enshrined in the Australian Constitution, local government has no constitutional standing at all. Thus all local authorities in Australia derive their powers and functions exclusively from state and territory legislation through state acts and regulations.

It is noted that Canadian local governments have raised similar and major concerns to Australia: lack of constitutional recognition, obtaining a more reliable funding base, improving consultation arrangements with Federal Government, and upgrading infrastructure through direct federal infrastructure grants. Comparatively, Canada has a more complex local government system with some provinces having several tiers of local government: regional governments, county governments and municipal governments (Department of Infrastructure and Regional Development, 2003). In comparison, United States (USA) presents two types of local government – territorial government, with jurisdiction extending over a certain geographic area; and corporate government, based on charters granted to cities, towns or villages by state government. TheUSAonline.com (2014) explains city charters as constitutions incorporating home rule enabling them to pass laws with which the state government cannot interfere.

While there are strong similarities between the local governments of UK, Canada and Australia, it is an undeniable fact that Australia is geographically isolated, generating an insular stand-alone approach to government. In contrast, the Council of European Municipalities and Regions (2011) has adopted the European Charter for Local Self-Government. The purpose of this Charter is to promote good practices in terms of local government and support the exchange of experiences between national associations and between local and regional authorities to develop a true European citizenship. Similarly in UK, the Department for Communities and Local Government (2006) has put in place a new framework for strategic leadership in local areas (Local Area Agreements), bringing together local partners to focus on the needs of citizens, with an emphasis on place.

To build greater understanding of local government, it is considered important to also unpack relevant beliefs about what local government actually does, and to identify the types of governance and leadership that impact on 'local' society. The contemporary and global view of local government is that it is a bureaucracy providing services to support the wellbeing its citizens at a micro (local) level (Hearfield and Dollery, 2009). Despite local government comparisons as mentioned above, the diverse domains of local government are acknowledged to include dimensions, capacities and responsibilities that place strong emphasis on local democracy which build social capital and shape local development (Geddes, 1998, Marcou and Wollmann, 2005, Council of European Municipalities and Regions, 2011).

As a traditional public sector institution local government is a long-established formally structured bureaucratic hierarchy that has authority to govern the complexities of local public administration, for example municipal finance and asset management (Access Economics 2007). As an institutional bureaucracy, local government operates within a contemporary local political landscape, using behaviours, modes of governance and decision-making (and perceptions of power), within delineated judicial boundaries (McKinlay Douglas Limited, 2006, Dollery, 2014).

For example, the debate continues on how best to define the institution of local government. Local government is an organisation with a set of established and customary processes which shape its behavioural codes (Pike et al. 2006). In defining institution, Bell (2002) refers to Levi (1990: 407) and Hall (1986: 19) who argue that while 'institutions both contain and create power', the institution and its fundamental mechanisms also affect the degree of power of institutional actors. March and Olsen (2005: 4) define institution as:

... a relatively enduring collection of rules and organised practices, embedded in structures of meaning and resources that are relatively invariant in the face of turnover of individuals and relatively resilient to the idiosyncratic preferences and expectations of individuals and changing circumstances.

As an institution, local government in Australia provides traditional services such as 'roads, rates and rubbish' which are explained as being the primary operational domain of local government in the past (Dollery et al., 2011). Furthermore, as an institution, local government has a traditional way of thinking and a traditional way of doing things (Dollery et al., 2003, Mgonja and Tundui, 2012). In arguing about the preservation of traditions, McQueen (2013: 95) presents the argument that sustaining traditions may challenge the relevance of what organisations do now, thereby influencing what they should do in the future. However, McQueen does go on to say:

[I]n fairness, traditions have their role and place in organisational life. After all, they can be a key part of building culture, a sense of belonging and a connection with heritage. However, tradition can all too easily become an anchor that holds an organisation back rather than a foundation upon which the future can be built.

Local government is also identified as an institution with institutional actors (elected representatives and civil servants) who are administrators under legislative jurisdictions (Pike et al., 2006). It is further explained that each institutional actor is socialised into culturally defined bureaucratic purposes with their identities imbued by the rules that translate structures into

political impacts, where each cluster group operates in its own right by virtue of institutional rules and practices but connected as members of the same institution (March and Olsen, 2005, Albescu, 2011).

March and Olsen (2005: 9) suggest that the institution of local government is a political agency which is:

... defended by insiders and validated by outsiders, and because their histories are encoded into rules and routines, their internal structures and rules cannot be changed arbitrarily.

Taking the discussion regarding institutionalism one step further, March and Olsen (2005: 13) defend their argument, and propose that institutions adapt to their environments ... and quickly achieve uniquely optimum solution to the problem of surviving and thriving.

Local government as an institution presents a unique discursive dimension as an older inflexible political bureaucracy within a political economy (Panizza and Miorelli, 2013). This emphasises the long-established political culture and established traditions that influence internal discourse within the institution of local government and external discourse with its communities. However, Schmidt (2008: 3) propose that the dynamics of discursive institutionalism can complement the older institutional approach by local government, and solve problems of governance by generating ideas, together with: ... articulating them in a 'communicative' discourse of public deliberation and legitimization. In this context, Davis (2004) also emphasises that institutionalism is: ... a framework for organising our understanding of the governing environment, and as a means for the casual analysis of institutional continuity and change.

Despite defining local government as an institution, much of the literature highlights local government's strength as its closeness to community (Department for Communities and Local Government, 2006). This paper emphasises that communities need strong strategic leadership to shape place for the future. But, as Jones et al. (2011) identifies, local government faces the challenge of sustainability requiring a rethink about how things have been done in the past against how things can be done in the future.

Fearn (2013) looks at the institution of local government from a very different perspective, particularly in the context of local democracy. Fearn emphasises that councils must not be

complacent and should consider working responsively with local people and deliver real health and well-being improvements, and said that: councils are amazing, but they not as amazing as they could be.

Local government in Australia is placed at the bottom of the three tiers of government and as an institution has developed normative orientations, conventions and long-established practices that have shaped and influenced an inertia to change (Bell, 2002). And in the context of Fearn's proposal, Gaventa (2006) Keohane (2011), and Pearce (2012) also emphasise that local government must look at its current role and prepare for a new future to reflect emerging and changing local needs which may possibly transform power relations between local government and local community.

This perspective suggests that local government must review its governance processes, its economies of scale and economies of scope (Blomgren Bingham et al., 2005, Hess and Adams, 2007a, Kuhlman, 2010, Aulich et al., 2011). As a consequence of this self-review in local government, Lipshitz and Strauss (1997) emphasise a possible risk of uncertainty of the future role of local government for decision-makers [elected representatives]. Zinn (2006) also identifies this uncertainty as a challenge for local government which may impact on its ability to represent the interests and reconcile conflicts of all its stakeholders.

2.1.2 The contemporary role of local government: challenges and trends

The contemporary role of local government is at the crossroads of reform. This is seen as a consequence of the very real challenges of globalisation (the integration of socio-economic processes and ideas); global financial crisis (the collapse of world financial services); urbanisation (population increase in towns and cities); socio-economic demographics (ageing population and high unemployment); , and reduced financial resources (loss of funding support and increased operational costs) to deliver traditional services (Shah and Shah, 2006, and Andrews et al., 2008). Australian Local Government Association (2016) and Martek (2016) raise concerns regarding the economic and administrative challenges for local governments in rural and remote regions of Australia, reducing capacity to meet local needs and alienating some regions even more.

What is more, literature identifies that the functionality of local government at the grass roots level, has emerged as a core challenge (Aulich et al. 2011). This is pressuring local government to

redefine its role as an institution to meet the new reality of citizen expectations (Jones et al., 2011) for local government to be a vehicle for responsive local governance, and a sphere for local democracy (Brackertz, 2013). This reflects the significant change in community attitude towards local government with citizen expecting more direct ways in participatory governance and community engagement (Herriman and Pillora, 2011, de Silva, 2011, Aars and Christensen, 2013).

This new reality of citizen expectations is grounded in local socio-economic demographics where the traditional institutional functions of local government must adapt and build capacity to create programs and appropriate resources to deliver goods and services effectively (Kettl, 2000). In this context according to Dollery et al. (2003) there is no doubt that this new reality has intensified allocative inefficiencies because local government may not have the capacity to meet increasing citizen expectations. This new reality has also been conceived as a climate change or changing landscape for local government, particularly in the context of sustainability (McKinlay, 2010).

These challenges emphasise the pressure for reform of local government. Gooding (2013: 3 and 39) explains local government reform as being an initiative of central government with different political approaches and requirements. Gooding also cites Grimsey et al. (2012: 3) who identifies that reform of local government in Australasia, in particular Australia, is a process dating back at least two decades with particular emphasis on the changing role in society, which is:

... both a cause and consequence of its changing role in society, it seems that the local government sector in Australia is almost permanently under the microscope'

In this context, Evans et al. (2012: 5) raises concerns regarding recent reform agendas in Australia, and stated:

The governing rhetoric underpinning this process has oscillated between the need to 'slash and burn' and the need for 'governance innovation'.

While the intent of these processes of reform is to improve some aspect of structure, performance and accountability of local government, it is the definition of reform which has not been clear. What is obvious is the concern expressed by other levels of government about the financial performance and sustainability of local government. However, it is evident that the differing assumptions between other levels of government and local government about the role

of local government that are creating tensions around the need for new thinking around governance or governance innovation (Evans et al., 2012).

In the context of governance innovation, Martin (2000) strongly suggests that local government organisations must adopt a culture of innovation if they are to: ... effectively manage and survive in ever-changing environments. Martin (2000: 2) refers to Jones (1993: 1) who argue that:

... local government's main role is to help local communities to make strategic choices by balancing the costs and benefits of efficiency, effectiveness, economic growth, quality of life, social justice, participation and legitimacy.

And this, as Jones emphasises, demands a high level of innovation and creativity by local government to facilitate reform and change in communities. This suggests that local government organisations hold the key to reform through innovation. However, Martin also emphasises that the purpose of innovation should not be simply to improve the functionality and service delivery of local government at the grass roots level.

While the responsibilities of local government in Australia are expanding (and sometimes contracting) according to location, scholars have identified a host of reform mechanisms that cross the spectrum of local government efficiency and democratic representation (Wollman and Thurmaier, 2011, Wollman, 2012, Mgonja and Tundui, 2012). For example, Pritchard and McManus, (2000) present the concept of localism to revitalise local economies. Stoker (2010) explains localism in the context of participatory democracy and participatory budgeting, which he identifies as 'a new politics of engagement', and says (p. 215):

Formal elected representatives work alongside citizens in making decisions ... Citizens are drawn into a process of agenda and priority setting. Allocating monies and budgets is plainly an area where engagement is possible to build even among relatively disadvantaged or disengaged citizens.

This localism approach suggests a focus on social measures or trends emphasising the value of the local community and the function of local knowledge capital in public policy and management to enhance the capacity of local authorities to effectively discharge fundamental roles (Kilpatrick and Abbott-Chapman, 2005).

New Public Management, or a system of public administration and governance which incorporates corporate (private) sector processes is another approach considered by Kuhlmann (2010) and Wollman and Thurmaier (2011) as a necessary institutional change for local government in response to socio-economic and/or budgetary problem pressure. Additionally, Hess and Adams (2007b: 2) suggest a Public Management (private sector) approach to management, but with the inclusion of ideas and practices gleaned from community knowledge to maximise administrative efficiency and effectiveness as contribution to local well-being and prosperity.

In this context, Brown and Keast (2003) emphasise changes in political and socio-economic make-up of contemporary society pressuring greater network arrangements between government and citizens. Demediuk (2009) and Andrews (2008) contend that the diversity of community knowledge relates community empowerment through community networking and is an innovative resource to inform good governance in local government practice. Mgonja and Tundui (2012) consider good governance is a mechanism for improving local government capacity and performance.

The intent of reform is to create a new form of democracy for all levels of government such as the introduction of decentralisation initiatives and localism [devolution of responsibilities and roles from central government to local government level] (Buser, 2013, Campbell 2016). This agenda is seen as squarely placing local government as the centre of a vision for revitalisation of the country. However, Megele (2012) makes a clear assertion about this new form of democracy, or modernisation of local government as being a profit-driven model, which Megele argues is essentially: ... central government's bold rush toward privatisation of public goods and services. What is more, Campbell (2016: 6) argues that decentralisation is a strategy and process initiated by central governments with local government being: ... no more than the executors of policies determined by higher authorities.

This so-called process of modernisation is based on the ideology of a connected society [the Big Society] which emphasises a shift in the relationship between central government and civil society in an endeavour to foster effective citizenship (Lyons, 2007, Dollery and Grant, 2010, Buser, 2013, Andrews et al., 2008, Martin, 2011, Ombler et al., 2016). Buser (2013: 7) argues that this shift has significant implications for local government and went on to emphasise that neo-liberal economics favour communitarian ways of organising social and economic life for example social

enterprises, mutuals and cooperatives with the intent that this sector takes on responsibility for management of civic space and provision of public services.

Local government reform is not limited to Australia. For example, the push for local government reform in the UK has resulted in recent political interventions and policy changes in response to issues identified in *Strong and Prosperous Communities: A White Paper*, (Department for Communities and Local Government, 2006) and the Lyons Inquiry into Local Government Place-Shaping: *A Shared Ambition For the Future of Local Government Final Report* (2007). Such political interventions are designed to not only engage citizens, but to build citizen capacity that ultimately strengthens society in order to work towards sustainable local government (Lyons, 2007). These papers define a new role for local government accompanied with devolutionary reform and strong emphasis on place. An example of this comes from Pillora and McKinlay (2011) who cite London Councils (2010) as a case study of the London Councils Initiative, *Manifesto for Londoners* where fiscal concerns have pressured devolution of responsibility from central government to local government, with the firm belief that this would allow government to do more with less.

Like the UK, Europe provides a variation of local government reform. Guderjan (2012) and Wollmann (2012) identify that despite the historical evolution of the institution of local government within the European Union and UK, each country has distinctly different local government systems. What is more, formation of the European Union triggered a process of Europeanisation or integration that has created a new quality in the relationship between local governments in these member countries at a wider European level. The level of European integration (political and economic dynamics between countries) at the local level is not yet well understood, particularly in the context of the processes that affect the relationship between both layers of government (central and local). In this context, Wollman (2012) further questions whether the expansion of local government networks from a political perspective is conflicting or complementary.

Kuhlmann (2010) raises another interesting point about European local government reform in the context of institutional reform and proposes a hypothesis that the starting conditions (history, traditional administrative regimes and culture) will shape pathways and outcomes of local government modernisation. Kuhlman (p. 1117) refers to Pollitt (2001) and argues that institutional evolution (convergence/divergence/persistence) are central factors effecting the possible misfit between new institutional structures and past cultural legacies. Kuhlman proposes

that if we now apply these conditions to the basic concept of local government and its entire activities within the public sector, we can see that the myriad of variables underpinning this institution determines its status and public value within community.

The single largest factor in local government reform in Tasmania is the top down pressure for accountability from the State Government of Tasmania. This is verified in a report by Access Economics (2007) *A Review of Financial Sustainability of Local Government in Tasmania* which measures councils in Tasmania by their financial capacity to fund their service and infrastructure obligations over the next 10 years. Sustainability of local government is seen by the State Government of Tasmania as an imperative to meet community expectations through a strategic reduction of local government council numbers and an increase in the geographic municipal areas; in other words, amalgamations (Munro et al., 2011, Local Government Association of Tasmania, 2006).

Amalgamation corresponds to an expectation by community and/or a mandate by central government for local government reform (Aulich et al., 2002, Dollery et al., 2003, Dollery, 2011). Dollery et al. (2003) explain that amalgamation [council mergers] has a relatively long history in Australian local government. The key drivers for amalgamation are identified as optimum community size to achieve economies of scale for municipal areas, and to increase local government capacity and reduce administration and compliance costs. An example of this is presented in the report by Munro et al. (2011) which includes thirteen recommendations for amalgamation of twelve (urban and rural) municipal areas into the Greater City of Hobart (Tasmania) to strategically achieve effective financial management and sustainability.

However the trend for amalgamation of local councils is challenged by Tiley (2010: 1) who expresses concern that the amalgamation process: ... created the capacity for adverse impacts on local democracy and democratic practice. Similarly to Tiley's argument, Dollery et al. (2011) and Dollery (2014) emphatically believe that local government amalgamation is decidedly dubious. Dollery (2011: 1) refers to leading scholars of local government who dismiss the efficacy of structural change (amalgamation) as a means of improving operational efficiency on the grounds that: ... the efficient delivery of municipal services does not require large municipalities. What is more, Dollery et al. (2011) claim efficiencies and cost effective advantages for local government will come from within the organisation as a bottom up internal process, rather than through a process of amalgamation.

Dollery et al. (2011: 2) argues that the costs of amalgamation have not been thoroughly identified nor included in the argument for amalgamation and said:

Moreover, in small regional, rural and remote councils, additional indirect costs of consolidation often involve powerful negative economic and social multipliers which reduce the economic and social sustainability of small communities to the point where they can no longer survive.

Reform is an ongoing argument within local government in Australia, with local government still in the throes of finding out what it needs to do to reform itself. Worthington and Dollery (2002: 14) emphasise that any change appears to be of the top-down variety; in other words, instigated by State and Federal Governments. This suggests that there is a variation in the pace and types of local government reform initiatives between the states and territories of Australia, which makes it unclear whether reform objectives have been met effectively and efficiently. (Dollery et al., 2003, Griffith, 2013).

Conversely, Martin (2011: 69) emphasises that citizen input into decision-making is a new localism approach to governance, rather than privileging 'public servants as the arbiter of the public good', and concludes:

This 'new localism' poses important questions for both policy makers and researchers. In particular how far will the promised reforms actually go and what impacts will they have on the service standards?

Localism is an emerging concept which Martin (2011) explains as decentralisation and devolution of responsibility from central government to local government. Localism requires ownership of some services through partnerships between local government and community organisations, including those in the third sector in an endeavour to determine local solutions for local people. Keohane (2011) explains the localism concept in *theguardian* (2011) as an innovative community engagement mechanism by local government and considers that: councils should no longer consider people as passive recipients of services, but as partners in design and delivery.

The need for a change in the role of local government [or local government reform] is identified as a dilemma both for local government and community (Pike et al., 2006). To understand this, the book *Land of Discontent*, an edited collection of essays by Pritchard and McManus (2000) present a pessimistic outlook based on economic, social and demographic decline of rural and

regional Australia. This book makes strong inference of disaffection by the 'people' which suggests that the inequity between metropolitan Australia and rural/regional Australia may be fuel to this fire. Pritchard and McManus (2000: 125) reinforce this notion of inequity by saying:

... the depopulation of rural Australia [which] has interacted with globalisation to encourage private sector services to recentralise their operations to large regional centres' eroding both social and economic capital.

They continue (2000: 123):

At the local level this is manifest in local governments increasingly being subject to burdens of broadening service delivery responsibilities ... without any compensating broadening of the revenue bases of the local state.

In other words by doing more with less. However, Hambleton (2011) suggests that what community wants, is not necessarily what local government will deliver in terms of a more comprehensive civic engagement, because public discourse around democratic governance and civic engagement in Australia has not advanced very far.

Both Aulich (2009) and Evans et al. (2012) emphasise that local governments in Australia are not immune to changing community expectations for greater citizen engagement. In this context, Herriman (2011: 60) argues that local government community engagement practice as an approach to empowering community is a major challenge for local government, because councils: ... are under-resourced and unsure about how to manage such engagement, and perhaps apprehensive of raising expectations by engaging in dialogue with the public.

Brown and Keast (2003: 12) also address this dilemma for local government and state:

... a shift in focus to more community-centred approaches means that the role of government in the future may be, at least in part, to facilitate and provide for the appropriate selection of linkage mechanisms and governance arrangements that present opportunities for community participation on a larger scale than has previously been the case. For, if engagement between government and communities becomes fragmented, useful outcomes are unlikely to be realised and the sense of disconnection between citizens and government is likely to increase.

Furthermore, as identified earlier, any changes in the traditional governance process has become an increasing challenge for local government (Pritchard and McManus, 2000, Martin, 2011, Aulich et al., 2011b, de Silva, 2011, Griffith, 2013, Aulich et al., 2012, Megele, 2012, Ombler et al., 2016). Pillora and McKinlay (2011: 4) refer to Kjaer (2004) who suggests that this governance challenge for local government has essentially been broadened not just in terms of process and functionality, but as an institutional method to achieve democratic accountability or good governance. Pillora and McKinlay emphasise that the pressure for democratic accountability and good governance is being driven by citizens and community for local government to rethink government processes and their approach to governance, for the good of the community.

In this context, Evans et al. (2012: 4) identify increasingly complex challenges for local government, which are compounded by:

... changes in community requirements of local government, changes in community attitudes towards local government, changing central government expectations of local government; and, the changing nature of local government work including the emergence of new partners in local governance.

While local government maintains its corporate governance role within a local democracy, Bakker et al. (2012) identify that local government's focus is moving towards external relationships of genuine collaboration between public, private and non-profit sectors to strengthen local democracy and advance community wellbeing. It is this emerging focus by local government on the local community as a stakeholder in democracy and governance that exhibits features of the community governance approach (Blomgren Bingham et al., 2005, Eversole, 2005, Aulich, 2009, Herriman and Pillora, 2011). What is more, as Huggins (2012: 5) suggests, this citizen-focused participatory process should: ... increase the level of citizen participation in community problem-solving and reverse the sense of disconnectedness commonly voiced by individual citizens. In addition to this, Bryson et al., (2006) proposes that to deal with tough local issues and to achieve beneficial community outcomes, cross-sector collaborations offer a solution through shared power and responsibility with citizens and community.

Notwithstanding the nature of local government and its challenges, an understanding of the institution of local government, its functionality, processes and relationships cannot be developed without unpacking the dimensions and complex external and internal influences that are impacting on the 'institution' of local government. Therefore, local government as an

institution needs to understand its political self and its role within community. What is more, it is how local government views its community that determines the distinctive nature of that relationship with community, in particular how it engages with community (Chambers, 1983, Kenny, 1999, Bellu, 2011, de Silva, 2011).

2.1.3 Local government and community engagement

The idea that local government has a unique discursive dimension as a traditional bureaucratic culture within a political economy is proposed by Panizza and Miorelli (2013), and this long-established culture emphasises how local government engages with community. Local government has a significant role of stewardship and governance within community, to be a catalyst and resource for community health and well-being (Olesson et al., 2012). In terms of the governance role of local government, CIPFA (the Chartered Institute of Public Finance and Accountancy) (2007:1) suggests that each council authority conforms to a traditional bureaucratic governance framework which is: ... an interrelated system that brings together an underlying set of legislative requirements, governance principles and management processes.

In Australia, the term governance within local government is aligned to the concept of corporate governance which is affiliated with structures and processes of decision making, accountability, controls and behaviours within corporations (Pillora and McKinlay, 2011). Pillora and McKinlay further identify that the term democratic governance or community governance broadens the concept of governance, to engage community and citizens in the decision-making process.

Cuthill (2003), Pillora and McKinlay (2011), and Herriman and Pillora (2011) identify a range of influences on the emergence of community governance including globalisation, marketisation and the information revolution and reform of local government). McKinlay (2016) refers to Rolfe (2016) highlighting the different approaches of community governance, that are influenced by the formal responsibilities of local government in different jurisdictions. Against this background, McKinlay et al. (2011), Eversole (2015) and Ombler et al. (2016) suggest that this demonstrates an emerging trend for shared governance which reflects a concept of knowledge partnering between local government and community to build a local knowledge base that supports decision-making capacity by community about its future.

This trend also highlights the concept of cross-sectoral or horizontal governance between local government and community organisations, not-for-profit organisations or non-government partners, for example the voluntary sector which Ferguson (2009: 1) defines as: ... a range of approaches to policy development, service delivery issues and management practices. Ferguson also suggests that horizontal governance: ... goes further in the sense that it also places some measure of influence over policy in the hands of partners who deliver service.

Phillips (2004: 383 - 390) looks at horizontal governance in Canada, and refers to (Salamon, 2001, and Rhodes, 1997 and 2000) who identify that horizontal governance is a widely accepted model of collective problem-solving that: involves partnership and interdependence at its central core. Phillips (p.383) identifies that the Canadian government looks at these partnerships from the perspective of:

... a context that centres on interdependence, not power relationships and on negotiation and persuasion, not control ... [and] the skills required for effective governing have shifted from those of management to those of enablement.

Phillips (2004: 383) also emphasises that problem-solving is at the heart of the horizontal governance relationship, but there are issues surrounding identification of the problem, in particular – *what* is the nature of the problem and *who* identified the problem, and suggests:

[I]n the context of collaboration, a key factor is whether the problem has been framed jointly, or at least whether there is mutual agreement on the nature of the problems at hand.

Alford and O'Flynn (2008) suggest that a collaborative process of centralising purpose and value together that is operationally and administratively feasible will be more influential when local government realises that it will be citizens and communities who will legitimise or give social licence to what local government does in the future. In this context, Jones et al. (2011) also suggest that leadership of public authorities (local government) has the potential to utilise local community as a resource to solve local problems. What is more, it is suggested that community expectations are a significant driver for horizontal governance (Johnson and Spear, 2006).

Pillora and McKinlay (2011) also argue that community expectations are a key driver for the development of community engagement policies that are closely linked to the notion of democratic (community) governance. Similarly, Herriman and Pillora (2011) and Dollery et al. (2003) emphasise that community expectations for public participation initiatives have prompted

a variety of responses from central and local governments which are emerging as a significant imperative for local government reform.

The empowerment of citizens and community is the focus of *Strong and Prosperous Communities: A White Paper* commissioned by the Department for Communities and Local Government (2006) in response to issues identified between local government and its stakeholders including citizens in the UK. This White Paper emphasises the need for local government to provide stronger and more visible leadership (civic virtue) and put in place a new framework within which local government and local community partners can work and deliver services. This paper also proposes thirty five key performance indicators (KPIs) including the Comprehensive Area Assessment Program which is tailored to local needs through a Local Area Network. The intention is to engage citizens and communities throughout UK to examine local government performance against these indicators to know how well their area is doing. In addition, the intent of the Comprehensive Area Assessment program is to cut bureaucracy and allow more targeted support for the community. A similar Community Strengthening example is discussed by Wiseman (2005) as an initiative developed by the Victorian State Government. This initiative is seen as a targeted and innovative way of exploring more engaged, joined-up and networked approaches to governance and policy-making.

In the context of citizen empowerment, community expectations prompted the passing of the Localism Bill introduced into UK Parliament in December 2010, which promotes the establishment of local community governance (Storey, 2011). This Bill shifts power from central government back to individuals, communities and councils. This example of community governance is seen as an opportunity for local government reform which emphasises a shift for councils from a functional structure to a place-based approach to management (Hambleton, 2011). Dollery et al. (2003) and Totikidis et al. (2005) support this place-based approach and emphasise that citizens want to participate in decisions that impact directly or indirectly on their lives.

The changing attitudes of citizens to local government that Dollery et al. (2003) and Herriman and Pillora (2011) identify, demonstrate a need for local government to rethink community engagement approaches and relationships between citizens and local government. In this context, Jones et al., 2011, Martin, 2011, and Evans et al., 2012 each identify that localism is a new priority for local government, and the implications of this are that local government must

take clear and decisive transformational action to renovate how things used to be done and move towards a new more responsive way of working, with community (Pillora and McKinlay, 2011).

Storey (2011) suggests that if society is to work collaboratively to solve local problems, then local government will have to think seriously about how to address issues of common concern. Lyons (2007) raises concerns about the sustainability of local government in its current form. Lyons identifies major limitations for local government which influences its responsiveness to community issues, because of a high degree of central control, a lack of flexibility, expectations and pressures on services, confused accountability, public attitudes, and, poor incentives in distribution of national resources. This implies that the relationship between local government and central government appears to stifle innovation and experimentation to flexibly manage pressures and also limits incentives for economic growth.

However, Lyons (2007) also proposes that local government is an enabler of communities (community capacity building), a place-shaper for the future, creatively using powers and influence to promote the general well-being of community and its citizens. Lyons (2007: 16-17) emphasises that:

Place-shaping requires local government to be more consistent in raising its sights beyond the immediate delivery of services, the short term political cycle and the timetables of funding and performance management – and to do this with greater ambition. It needs to focus on developing a vision for an area and its communities, a vision owned by those communities and by local business.

Place-shaping according to Lyons (2007: 174) is a developmental approach by local government, and presents the term place-shaping as:

The term place-shaping covers a wide range of local activity – indeed anything which affects the well-being of the local community. It will mean different things in different and at different levels of local government, informed by local character and history, community needs and demands, and local politics and leadership. The powers and freedoms which local government can exercise are an important part of enabling councils to play this role. However, I am clear that effective place-shaping is as much about the confidence and behaviours of local government as it is about statutory powers and responsibilities.

While Lyons strongly recommends place-shaping as the foundation of local government reform, Grant and Dollery (2010: 1) contest the Lyons (2007) theoretical underpinnings of the concept of the place-shaping role of local government which they believe:

... has drawn together extant strands of political theory, political economy and management theory, as well as financial economics, to stretch the canvas of reform to encompass wholesale local economic revitalisation and local community sustainability.

What is more, Grant and Dollery (2007: 23) emphasise that Lyons recommendation of devolution and civic virtue is a top-down government approach that seeks to 'shape places' by 'shaping people', and it is this leadership approach which ignores the role of citizens or community in the role of government and governance.

Andrews et al. (2008) and Bakker et al. (2012) support civic-republican theories that strongly suggest that active citizenry is achieved with effective citizenship initiatives by local government that educate people in developing knowledge, skills and confidence in local decision-making and even policy development. Andrews et al. in particular anchor their theory in the top-down citizenship approach by local government which structures and manoeuvres the education of people as a vehicle of community engagement and democratic participation. Little is known about the success of the suggested citizenship initiatives. However, Andrews et al (2008: 1) suggests that: ...there remains considerable scope for improving activities that address the learning implications of effective citizenship.

In addition to this, Lyons (2007) emphasises that the concept of place-shaping is not just about shaping place or community, but is also about government actions that modernise its processes to develop local sustainability. Paulais (2009) discusses sustainability of local governments as being dependent upon role-changing strategic initiatives as alternate and effective mechanisms. Other examples from the literature are:

- Deloitte UK (2012) proposed local government to rethink commissioning models because of the impact of funding cuts on service delivery, which would require councils to adopt significantly different delivery models that require collaboration with the social enterprise sector.
- Bishop (2011) proposed that local government should participate innovatively with social enterprises and barter services, ideas and any resources that do not require cash.

- Purt (2012) presented the primary focus on Sunderland City Council's entrepreneurial scheme to find innovative public sector staff with the talent to start their own social enterprises. Sunderland City Council underwent significant downsizing as a result of crippling funding cuts, and this scheme appears to lead to outsourcing by local governments to public/social services no longer funded by central government, but are run by ex-council employees.

Marcou and Wollman (2005), and McKinlay (2010) propose a different view on place-shaping that focuses on local government sustainability, and in this context Hambleton (2011: 3) suggests that: ... as the world becomes more urbanised and economic activity more globalised, trade between cities is growing at a faster rate than trade between nations. The implications of this perspective are pressuring local government to consider how it more effectively and efficiently provide services to local communities. It is evident that local government is evolving around urbanisation and related primary economic considerations and the capability of local government to manage its economy appears to be paramount (Council of European Municipalities and Regions, 2011). Further, Marcou and Wollman point out an about-face by some highly urbanised countries that underwent major amalgamation of municipalities and identify a citizen movement to re-establish local community government institutions at the intra-community level, giving back political vitality and incipient democratisation at a local level.

Dollery et al. (2003) and Dollery (2014) posit that Australia is at the cross-roads of reform. What is more, Local Government Association of Tasmania and Tasmanian State Government (2014) claim that local government in Tasmania is also under pressure for reform, and this is based on an earlier report by Local Government Association of Tasmania and Tasmanian State Government (2013: 48) which implies strongly that failure by local government to: ... rise to the occasion ... to help itself will see local government become: ... increasingly mendicant in an increasingly mendicant state [and] lose relevance to the daily lives of its residents. This strongly worded preamble in this discussion paper suggests that change and even reform rests solely in the hands of local government in Tasmania. Furthermore, the discussion paper went on to call elected representatives and administrators of local government in Tasmania into account and said:

Many elected members may appear to have a personal interest in maintaining a fragmented system of Local Government which enables them the greatest influence on their parochial interests within their "patch".

Similarly, senior managers may have a personal and pecuniary interest to maintain their roles and seniority with the council and local community. Additionally, faced with disconfirming evidence that the real priorities socially and economically for the region, and therefore having a major influence on the local area, do not align with the priorities of individual elected members as reflected in council plans, perhaps challenges our under-developed capacity to look broader than parish pump interests. (LGAT and Tasmanian State Government, 2013: 49)

Further to this, the final report (LGAT and Tasmanian State Government, 2014: 68) states that: local government needs to build leadership capability within both elected members and council staff ..., and that reform is being constrained:

Where councils are plagued by bitter personal animosities, 'infighting' between councillors, intransigent factionalism, and disruptive meetings, 'policy gridlock' typically occurs that can effectively stall the smooth running of a local authority. A secondary effect of dysfunctional elected councils resides in the loss of public confidence in their elected representatives and a diminution of collaborative partnerships between community organisations and local government.

This report strongly emphasises the concern from the perspective of the State Government of Tasmania about the role, capacity and sustainability of local government in Tasmania.

Central to this debate on the future role of local government a question emerges: who are the real stakeholders in local government? According to the literature relating to the role of local government, the answer is local citizens and local communities (Evans et al., 2012, Tasmanian Government, 2013, Porter, 2005, Blomgren Bingham et al., 2005). And while local government goes about self-assessing its role, Alford and O'Flynn (2008) suggest that it will be citizens and communities who will legitimise or give social license to what local government will do in the future.

From the preceding discussion it is clear that local government plays a significant role in community, through government, governance and civic leadership. Local government also plays a significant role in development of community, and the focus of this next section is how local government sees community and how this influences its interactions and operations within community. This section also presents other perspectives on community, community engagement and community development.

2.2 UNDERSTANDING COMMUNITY

Kenny (1999) and Dollery et al. (2003) strongly assert that local government is the tier of government closest to the people and considers it has the most significant influence on community health and well-being through its multi-dimensional relationship (governance, community engagement and service delivery) with its communities (Richardson and Merrigan, 2013). However, literature identifies that the relationship local government has with community is primarily top-down governance and service delivery (Brown and Keast, 2003), and this suggests that local government defines community to fit with its own governance purpose.

Pillora and McKinlay (2011) suggest that defining the term community is a complex process, and refer to a substantial report by Chisholm and Dench (2005) which identifies no less than 94 definitions of community. Chisholm and Dench also highlight a number of different characteristics of community which they emphasise determine peoples' understanding of community. This suggests that community is a valid concept with an individualistic nature (Robinson and Green, 2011), and as Pillora and McKinlay explain, it is not how community is 'defined', but how it is 'understood'.

2.2.1 How we see community

Given the ambiguity of the term community, it is still highly familiar to the general population and used in every-day conversation. To give this discussion some context, Chambers (1983) and Pike et al. (2006) identify that community is a collection of physical properties and attributes, that is towns, neighbourhoods, regions and municipal areas (including rural, regional and urban) which suggest a formal delineation of locale, a construction of place and space.

Literature makes clear connection between the three concepts of space, place and community and explains how these three closely aligned concepts connect people with community attachment to create a community of place (Cross, 2001) together with a sense of place (Jorgensen and Stedman, 2006, Kyle and Chick, 2007). This suggests that community is a social system, a common interest-based group interested in local socio-economic wellbeing and development (Wazeem, 2008), and that the nature of community is determined by stakeholders or social actors within that community (Hummon, 1992, Cross, 2001, Cavaye, 2004, Kyle and Chick, 2007, Winter and Freska, 2012).

Pahl and Spencer (2006) identify deeper notions of community, such as personal communities, which they describe as a mix of private, personal and public relationships. For example, it is within families where the private and high value commitment occurs. Pahl and Spencer identify other communities, such as social communities which fulfil individual and different social/personal needs, public communities such as meetings where people interact with others they do not know personally, and communities within communities such as a suburb within a city, a school within a town, a town within a region.

This identifies that each community is unique, and that each example above is subsidiary to place. However, Smith (2003) suggests that there are other less obvious examples of communities within communities that are organised in a setting where participants/members give and take to achieve a common goal, for example communities of practice and minority groups. Therefore, the concept of community is placed into a melting pot of characteristics. Smith also identifies that communities can be spontaneous or planned, formal or informal, legal (or even illegal), defined by boundaries, defined by shared beliefs, values and cultures, defined by common interests, etc. Furthermore, this suggests that the way we as individuals or as a member of a group see community determined by our identity, connection and interaction with place, space and community. It is academics like Stilwell (1992) and Massey (2004) whom with different conceptual logic propose an expanded description of community that encourages broader questions about ways of seeing community as it really is – a relationship between identity and responsibility, and the potential geographies of both.

Chambers (1983) and Pike et al. (2006) assert that local government perceives community with a spatial/geographic sense with geological or physical properties of landscape. It is these characteristics that give a topographical sense of permanence, constructing an external identity of place. To give context, Wardner (2012: 3) cites Relph (1976 in Gustafson 2001) who identifies three elements of place as being the: ... physical structures, activities that take place and the meaning individuals give to it. However, Wardner (2012: 3) refers to place academics (Gustafson 2001 and Massey 1994) who argue:

... that place is not a construct of fixed space in time but a process that connects the environment, oneself and others, both locally and globally, separating the inside from the outside.

Similarly, McMillan and George (1986) propose a definition and theory on the notion or sense of community. They identify that this sense of community has four elements: membership, influence, integration and fulfilment of needs, and shared emotional connection, all of which they believe contribute towards a community's sense of well-being and community satisfaction.

It is evident that the social and spatial construction of community is also influenced by political and legal boundaries which are an external condition of community and place that restricts and develops the dimensions of community at the same time (Obst, 2004). Pillora and McKinlay (2011) identify that local government has a legal mandate relating to a defined geographic area, being responsible and accountable to the local community within that delineated space as defined in State legislation. Local government literature emphasises that local government is responsible for the planned environment in community, having to be both pragmatic in approach and sensitive to the needs of community at the same time (Stilwell, 1992, Pike et al., 2006).

However, this notion of community in terms of space does not emphasise the interdependence of other characteristics of community, particularly the social construct which essentially shapes understanding of community (Obst, 2004). And in this context, the location of community creates another different perspective of place, and (Pillora and McKinlay, 2011a: 6) and say:

In rural areas, where clear geographical boundaries and people's understanding of what constitutes their communities may both be easily understood, questions of what is the community may be relatively straightforward. In urban areas boundaries, and the factors which collectively constitute a sense of community, may both be much less obvious.

Pillora and McKinlay (2011) reiterate their belief that it is the stakeholders or social actors that interact with these characteristics of community who personally conceptualise a unique but fluid perspective of a natural community, which in effect is personal place and space. Further to this, each of these dimensions of community contribute to the broader concept of a space and place, and it is the human cognitive notion of place and space together with human discourse and relationships within that place and space which integrates an environment into an individual's notion of community (Verity, 2007, Winter and Freksa, 2012).

In order to further understand community from the perspective of people within community, it is important to briefly examine research by McMillan and George (1986: 7). While this paper is

somewhat out of date, it clearly relates to community *bondedness*. McMillan and George refer to Riger, LeBailly and Gordon (1981) who identify four types of community involvement - feelings of bondedness, extent of residential roots, use of local facilities and degree of social interaction with neighbours. Much of this literature advocates that human cognition of place is the strongest influence on interpretation of place. Therefore, this human dimension creates distinct individual identity through bondedness with place giving a sense of community identity and belonging.

The conceptualisation of community of place gives unique identity to place which is complemented with an interactionist framework where meanings emerge and evolve through ongoing interaction between the environment and people, and relationships between people over time, and a traversing of places (Hummon, 1992, Cross, 2001, Cavaye, 2004, Kyle and Chick, 2007, Winter and Freska, 2012). This phenomena of human-place bonding or place attachment emphasises the unique meaning to individuals and groups (Wardner, 2012). It is these individuals and groups who interpret environmental attributes and social construction, creating place identity that is subject to an individual's life experiences and level of freedom to be self. Place attachment is seen as a sense of place that individuals and groups attribute to a location, and is closely interwoven with two other components – place identity (i.e. cognitive dimension) and place dependence (i.e. conative dimension) (Kyle and Chick, 2007, Wazeem, 2008).

Kyle and Chick (2007: 211) emphasise the subjective nature of the sense of place construct and cited Tuan (1977) who proposes:

*... what begins as undifferentiated space becomes place as we get to know it better
and endow it with value.*

As Hummon (1992) suggests, place could be attributed with a dual nature that involves both the interpretive perspective and emotional reaction to environment.

In other research, Massey (2004: 5-8) identifies a sense of place to be both material and discursive, and that:

*... this reformulation of identity itself already implies a different spatiality, a different
'geography' of identity in general...*

As Massey suggests this means that there is a clear and rooted connection between the external identity of place and the internal identity of place. Massey (2004: 7) also proposes that the internal identity of place is the place of intersection, and place of negotiation in the widest term, and states: ...negotiating across and among differences of the implacable spatial fact of shared turf. These interactions suggest an existing and organised community, or that community may actually be the goal. Massey discusses place as where community exists or is the aim, and it is a spatial dimension with links between the physical and social where both place and identity are conceptualised. This, Massey believes, gives meaningfulness to community of place.

Therefore the concept of community of place emerges as a purposeful place of collective action or interaction underpinning social and economic development (Palich and Edmonds, 2013). Local government recognises the physical and social nature of community and place within its own development practice that influences or creates social and economic change (Morosan, 1995). However, Lyons (2007: ii) strongly suggests that local government must also embrace the place-shaping role, and said local governments should: ... strengthen their engagement with those they service, and establish themselves as unequivocal champions of value for money.

Moreover, the author notes that the Lyons (2007) concept of place-shaping is grounded in civic leadership and effective citizenship. Furthermore, the notions of place and community by local government as referred to earlier are constrained within geographic/judicial boundaries. What is more, Pillora and McKinlay (2011) identify that the word community has lack of clarity for local government and that community is assumed by local government to be the entire district or municipal area. Nevertheless, Kenny (1999) reinforces the notion that community is where people interact with each other, connecting with their surroundings and constructing a personal meaning of place; ergo a sense of place.

A sense of place is proposed by the Tasmanian State government as a significant role within the reform of local government (Local Government Association of Tasmania and Tasmanian State Government (2014: 2) which requires:

[C]ouncils to facilitate and work with their communities to develop a sense of place through branding, promoting and enhancing local identity, and promoting social cohesion and health and well-being.

Community is where local government administers services etc. and it is this interface that sets the scene for a relationship between community and local government (Bradford and Kerr, 2012). And in this context, Gaventa (2006: 3) said: ... much depends on navigating the intersection or meeting point of the relationship. Further analysis of this so called relationship is discussed by Gaventa who raises questions about what and how local government can build stronger communities. This is a complex situation for local government that is challenged to provision citizens with services as statuted by central government (Tasmanian *Local Government Act 1993*). Local government in Tasmania also has a significant role in community development, aligned with place-shaping and a sense of place. However, it is the development mechanisms and purpose of community development that are the focus of the next subsection.

2.2.2 Community and development

Community development literature suggests that community engagement as a community development initiative is a reciprocal arrangement, which supports active citizenship to build communities and build capacity of citizens (Aulich et al., 2012, Hess and Adams, 2007a, Andrews et al., 2008, Kuhlmann, 2010, Wollmann and Thurmaier, 2011, Mgonja and Tundui, 2012). However, it is the perspective that local government has of what community is that determines nature and extent of community engagement and community development by local government.

Community is a complex and broad concept, and is a local place for responsive development processes. Community is a place, a social system and a common interest group where improvements, transformations and solutions to community problems can be addressed with emphasis on community well-being (Kenny, 1999, Galliano, 2005, Verity, 2007, Adams, 2008, Phillips and Pittman, 2009, King and Cruickshank, 2010, Richardson and Merrigan, 2013). The concept of community well-being is identified by local government as an opportunity for meeting community needs or community development (Kenny, 1999, Mayo, 2008).

There are many definitions of development, and one example proposed by Bellu (2011: 2) is that:

... in general terms 'development' means an event constituting a new stage in a changing situation or the process of change per se.

Which as Bellu suggests, is 'something positive or desirable', and usually meaning improvement: ... either in the general situation of the system, or in some of its constituent elements.

Bellu sees development as a system or process that should be viewed according to the dimensions of what is being developed, for example economic development, human development, sustainable development and territorial development. Pike et al. (2006: 46) raises an interesting point on such sustainability and says:

Sustainability questions the fundamental aims and purposes of local and regional development, particularly its focus upon economic growth, and its durability, longevity and longer-term implications. Sustainability has economic, social, ecological, political and cultural dimensions.

This suggests that each one of the dimensions of sustainability influences the other, and can individually or collectively influence the need for change, for improvement.

Olivier de Sardan (2005) proposes a different theory about development, justifications for development and what development really is. He explains the phenomenon of development from an anthropology of development perspective, particularly that of social change. He believes there are discrepancies of understanding according to the field of intervention (arena of development) and/or particular disciplines (social welfare) or ideologies (religion) which can lead to pseudo-explanations that routinise development, giving justification to actions for change. Therefore, as Eversole (2014) identifies, the real problem lies in the word development, the characteristics of place where development occurs, and the nature of communities in that place.

Phillips and Pittman (2009) as editors of the book *An Introduction to Community Development* propose the concept of community development as a complex and interdisciplinary field of study which concerns not only the physical realm of community, but also the social, cultural, economic, political and environmental aspects as well. It evolves from an original needs-based emphasis to one that is more inclusive and asset-based.

From another perspective of development, Chambers (1983) and Pike et al. (2006) emphasise that localism, local knowledge and social capacity are a significant influence on changing community and shaping place. And what is more according to Pike et al. (2006: 31), development is:

... a profoundly geographical phenomenon, and in abstract terms the 'social' is seen as the 'spatial'. Space is not a reflection of society, it is society. The socio-spatial world of local/regional development is not just an homogenous or geographical plane.

Cavaye (2007) refers to Christenson et al. (1989) who propose that the process of community development is a singular concept suggesting reshaping of community. In turn, reshaping of community suggests a process of development that increases choices, means new options, diversification, thinking about apparent issues differently and anticipating change. Cavaye argues that the word development in this context is interchangeable with change and reshaping when examining the differing domains of community, that is community as place, community as a social system, and community as an interest-based group.

In the book *Local and Regional Development*, Pike et al. (2006) discusses the social determination of principles and values within each of the identified domains of community development above, each defining and articulating the need for change and/or development. This implies that value judgements of interest groups will influence/shape what sorts of development is considered appropriate, and/or what sort of development a locality needs. These principles and values often reflect political systems and the relationships between agencies of power (State and local governments), civil society and public which are not wholly autonomous to act and decide its own course of development. Principles and values also emerge from geographical place, which influences the kind of development considered appropriate. This is reflected in the literature, which highlights the limited perceptions local government has of local community having the capacity to influence community engagement including what development initiatives would be undertaken and why (Mayo, 2008).

Vogt and Binns (2005) identify that in more recent times, community development has evolved and become more closely linked to the concept of sustainable socio-economic development. The focus of sustainable socio-economic development does not necessarily swing away from the social approach, but includes environment and economic sustainability. This Vogt and Binns identify, facilitates environmental and economic sustainability and sets a strategic development framework for local government.

However, this raises the question as to whose task is it to seek change or initiate development, and/or to remove obstacles to change? Cavaye (2007: 2) believes that the community has a significant role to play in its own development, and goes on to say that:

[C]ommunity development improves the ability of communities to collectively make decisions about the use of resources, such as labour and knowledge.

Kilpatrick and Abbott-Chapman (2005) suggest that local government should initiate some sort of social policy interventions to facilitate social investment as a community development strategy, but it should also look to how to work with communities through community participation and community capacity building.

Again, the literature questions whether in fact community can in reality provide the community capacity, social cohesion, social structure and social capital to achieve the implied shared vision without intervention by development actors (Bellu, 2007, Verity, 2007). Bellu (2007: 25) also argues that:

Development (or non-development) processes do not happen in a 'vacuum', but are affected by and intrinsically linked to the environment in which they occur.

However, Vogt and Binns (2005) maintain that community development cannot be imposed on communities, rather it should be created collectively by community members from within the community. They propose that this approach is an enabler and empowers community members to draw on existing knowledge and foster community resilience, through their own actions. Vogt and Binns (2005: 2) went on to say:

Building shared vision and promoting collaborative action is key to the process of community capacity building, particularly regarding the facilitation of community leadership. These concepts offer a potential pathway for their working with stakeholders (community members, all tiers of government, service providers, etc.) to collectively envision their future in a way that meets both common and divergent needs.

And,

Community development, in theory and in practice, is underpinned by principles promoting community vision building and collaborative action. In saying so, it supports the belief that when empowered to do so, all people possess valuable skills, strengths, assets and knowledge that can be contributed towards mobilising community vision into action.

In support of this, Verity (2007: 9) refers to Labonte and Laverack (2001) and defines community capacity building as:

... a more generic increase in community groups' abilities to define, assess, analyse and act on health (or other concerns) of importance to their members. Verity's literature review looks closely at the voluminous amount of material on community capacity building, and discusses this in the context of a generative and productive process of 'building'.

In this context, Taylor and Garven (2012) present characteristics which underpin community capacity building in particular equality (social inclusion), collective ability (building and strengthening group capacity), and building assets (using and building on existing strengths).

However, Aars and Christensen (2013) emphasise the importance of understanding just how local government approaches community development and for what reasons, because citizens expect investment by local government councils into their community well-being. The fact that local government has such a significant role within community, their involvement with community is shifting focus to a more community-centre approach. In this context, Brown and Keast (2003: 12) articulate this as:

The role of government in the future may be, at least in part, to facilitate and provide for the appropriate linkage mechanisms and governance arrangements that present opportunities for community participation on a larger scale than has previously been the case. For, if engagement between government and communities becomes fragmented, useful outcomes are unlikely to be realised and the sense of disconnection between citizens and government is likely to increase.

Also in this context, Herriman and Pillora (2011: 8) in their paper *Local Government and Community Engagement in Australia* state that: engagement is at the heart of what a council is designed to do. They go on to say:

The role of a council includes acting as a representative government by taking into account the diverse needs of the local community in decision making; ...(and) fostering community cohesion and encouraging active participation in civic life.

Bradford and Kerr (2012) also suggest that community engagement is the process of citizens and government interacting and participating in decision-making. Furthermore, it is identified that Australia is now following the international trend of encouraging greater participation by community members in the decision-making process (Pillora and McKinlay, 2011).

Dollery and Dallinger (2007) align the process of community engagement by local government as part of the local government reform process. This suggests that in the past local government has not provided citizens the opportunity to engage with or participate in democracy, particularly in matters which directly affect them (Aulich, 2009). Aulich believes that community engagement is the foundation of social connectedness, and this shift from government to governance involving the development of transformative partnerships between local government and community is a reform process and a challenge for the bureaucratic structures of local government.

Community engagement is not, however, a one-way street. It is a reciprocal arrangement that is a melding of tactics to benefit both community and local government (Hambleton, 2011). In terms of this reciprocity, Hess and Adams (2007a: 11) propose that:

[S]trong communities drive the emergence of strong local councils ... [and] it can be interpreted as strong local councils driving stronger communities.

Therefore, this suggests that local government must take the lead in the next decade, to support active citizenship, to build communities and bridge cultures and nurture and build the capacity of their citizens (Geddes, 1998, Kenny, 1999, Wiseman, 2005, Keohane, 2011, Megele, 2012).

De Silva (2011) provides a good example of community engagement, explaining the City of Melville (WA) Stakeholder Relationships Framework which has provides a system for City of Melville staff and elected members to understand and keep pace with its increasingly multi-faced roles and responsibilities. This Framework seeks to increase City of Melville's capacity to foster and lead democratic engagement between council and its Citizens. De Silva (p. 5) goes on to say:

What distinguishes community engagement from other types of relationships is the concept of engagement is about enabling stakeholder participation in the council's activities, projects and policies. At the very least, engagement seeks to achieve consensus on what is (or indeed is not) agreed upon by stakeholders to address issues affecting their well-being and sustainability. Ideally it is about empowering stakeholders (whenever possible) to become part of the decision-making process'

Cavaye (2004) and Bradford and Kerr (2012) propose that community engagement theory is about building a relationship between local government and citizens. Similarly, Geddes (1998) and Brown Pillora and McKinlay (2011) emphasise that while the community engagement relationship is in response to poverty and social inclusion and build social cohesion, it is also to enhance

decision making at a local level that utilises distinctive knowledge base methodologies. Aulich (2009) and Evans et al. (2012) further identify that in countries like UK and Canada, development of local government public policy has a stronger community focus, particularly when dealing with such issues as social exclusion and marginalised persons.

Community engagement underpins community development (Bradford, 2012). Lyons (2007) and Adams (2008) each identify that place-management and place-shaping are also elements of community development. It is also local government's perception of community which strongly influences community development initiatives by local government. But as Adams explains, community regeneration broadens the concept of community development and suggests that civic engagement is a strong resource in building socio-economic capital.

However, Martin (2000: 2-3) raises the question that if local government is to effectively manage and survive in ever-changing environments, how can it do this? Martin proposes that local government organisations should embed innovation as a way of thinking and acting to effectively manage economic and community development issues. Martin also suggests that innovation in local government should become an organisational culture, and states that it should be:

[One] which deals with uncertainty, brings new ideas to fruition, values creative thinking and learning, actively encourages its members to learn about new ways of working, uses a developed wealth of employee experience and competence, and brings forth new and imaginative ways of working from across the organisation to eagerly embrace change. All of which goes to making the community they serve a better place to live.

Furthermore, Cornwall (2002) presents the concept of participatory governance from an opposing perspective. Cornwall refers to Foucault (1991) and the notion of political technology and explains this as being a power used to reinforce current government systems which is seen as a means of controlling projects and citizens, thus legitimising current political capital.

Despite this, Blomgren Bingham et al. (2005) emphasise that citizens have an important role to play in participatory governance so as to identify what is right and important to them and how best they can achieve their objectives. Dollery and Grant (2010) refer to Newman (2001) who argues that the days of privileged central authority are being challenged by localism and social movement to modernise governance.

Local government literature identifies that local government in Australia considers community engagement as a mechanism for community development (Richard and Merrigan, 2013, Demediuk, 2009). However, Mayo (2008) also identifies that local government community development activities are somewhat benevolent and top-down in nature, creating boundaries around what development initiatives would be undertaken and why. Mayo also suggests that this intervention by local government is a process of local government deciding what is best for community, often without consultation.

Cavaye (2007) also proposes that community development is not about intervention by local government. Cavaye proposes that community development is about community managing change, and looking for options through interaction between people and collective agency and determining the social capacity of the community to achieve change. Cavaye separates the two concepts of community and development, suggesting their combination means that a community engages with itself in a process aimed at improving the social, economic and environmental situation of the community.

Civic academics identified that local government considers itself as an agent of place particularly through community engagement mechanisms and community development processes (Pillora and McKinlay 2011, Richardson, 2013). However, community development requires understanding of community dilemmas which drive development action, whether by agency intervention or citizen involvement. And in this context, Eversole (2015) proposes:

... that if the goal is to create positive change in a particular social context, then people and their relationship matter.

Despite local government's role as an agent of place, it emerges from the literature that local government grapples with how to make its interventions more effective, ergo community engagement and community development (Mayo, 2008, Moulder and O'Neill, 2009). What is more, literature also identifies that citizens want to participate in policy and decision-making, particularly that which affects their future (Kenny, 1999, Verity, 2007, Bellu, 2011). Community engagement emerges as an opportunity for local government to engage in an innovative governance process, where local community becomes a resource for solving local problems (Storey, 2011).

The concept of local community being a resource for solving local problems is presented in the next section and identifies community organisations such as social enterprises as local

development actors and social change agents. This next section focuses on what social enterprise is and what it does in the context of its location and local social needs.

2.3 UNDERSTANDING SOCIAL ENTERPRISES

Social enterprise is a relatively new concept (Campbell et al., 2011), within the domain of community development. Social enterprises emerge in various ways with a mixed and contested heritage due to its philanthropic roots in the US, and cooperative roots in the UK, Canada and Europe. Historically, the origins of social enterprise are traced back to the phenomenon of charitable organisations which have existed for at least 2000 years (Defourny and Nyssens, 2006). Until the end of the 18th century, the philosophy of charities and voluntary organisations established the ancestry of modern not-for-profit organisations, undertaking such activities as social work and poor relief (Borzaga and Santuari, 2000).

2.3.1 Explaining social enterprises

Social enterprises are determined as distinctive and in support of this notion in an Australian context, Social Traders (2011: 3) identify that in Australia there is no legal structure called social enterprise. However, Barraket (2010: 4) presents the broad parameters which define social enterprises as organisations that:

- *are led by an economic, social, cultural, or environmental mission consistent with a public or community benefit;*
- *trade to fulfil their mission (where trade may be monetary or non-monetary), and derive a substantial portion of their income from trade; and*
- *reinvest the majority of their profit/surplus in the fulfilment of their mission.*

Social Traders (2014) also inform us that the main motivation for a social enterprise falls into one of the following areas:

- **Employment:** businesses that provide employment, training and support for marginalised groups.

- Service delivery: businesses that create or retain services in direct response to social or economic needs in the community; and
- Income generation: businesses that generate profits to support other community or not for profit organisational activities.

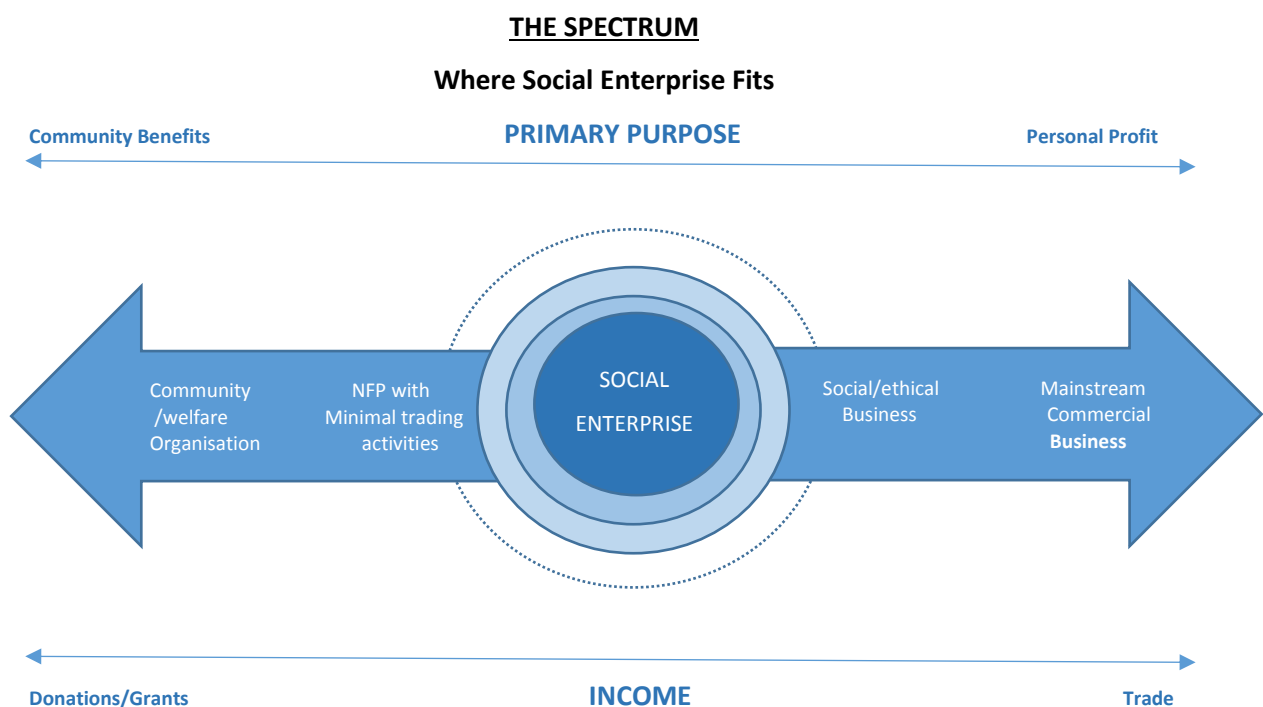
To give a clearer picture of the types of social enterprises within Australia, Social Traders (2014) presented group classifications or typologies according to enterprise similarities, for example social mission and/or trading activities: Typologies or categories of social enterprises are:

- *Hybrid*: most social enterprises do not neatly fit into typologies presented, often mixing and matching characteristics from many typologies in order to meet the needs they have been developed to address.
- *Cooperatives, Associations and Mutuals*: Member benefit businesses which are formed to meet defined social needs of members, ie childcare, housing
- *Fair Trade Organisations*: businesses that exist to benefit producers and workers in developing countries by paying fair prices for products and commodities which they on-sell in developed countries.
- *Intermediate Labour Market Companies*: businesses that undertake commercial work in order to train, support and employ disadvantaged job seekers and then transition them into mainstream jobs.
- *Charitable Business Ventures*: Commercial businesses established by charities to generate revenue which is reinvested in their charitable purpose.
- *Social Firms*: Businesses that undertake commercial work in order to create employment for people with a disability.
- *Community Enterprise*: Businesses set up to provide benefits to the community in which they are located, ie community buy-outs.
- *Community Development Finance Institutions*: Financial institutions that provide products and services to individuals, organisations and communities who have difficulty accessing mainstream finance; and
- *Australian Disability Enterprises*: Businesses developed to employ people with a disability that are unable to work in mainstream businesses.

While the primary focus of social enterprises is the *social mission*, literature emphasises that social enterprises must undertake some form of commercial activity within the open market to achieve sustainability to achieve their social aims. Social Traders (2017) present a spectrum

(Figure 1) of where social enterprises fit, in particular the organisation's primary purpose between community benefit and personal profit together with the range of income generation. Figure 1 also identifies the major source of income/funding across the spectrum from mainstream business activity to totally funded community/welfare organisations. The trading activities coupled with the not-for-profit status of social enterprises, places social enterprise at the centre of this spectrum.

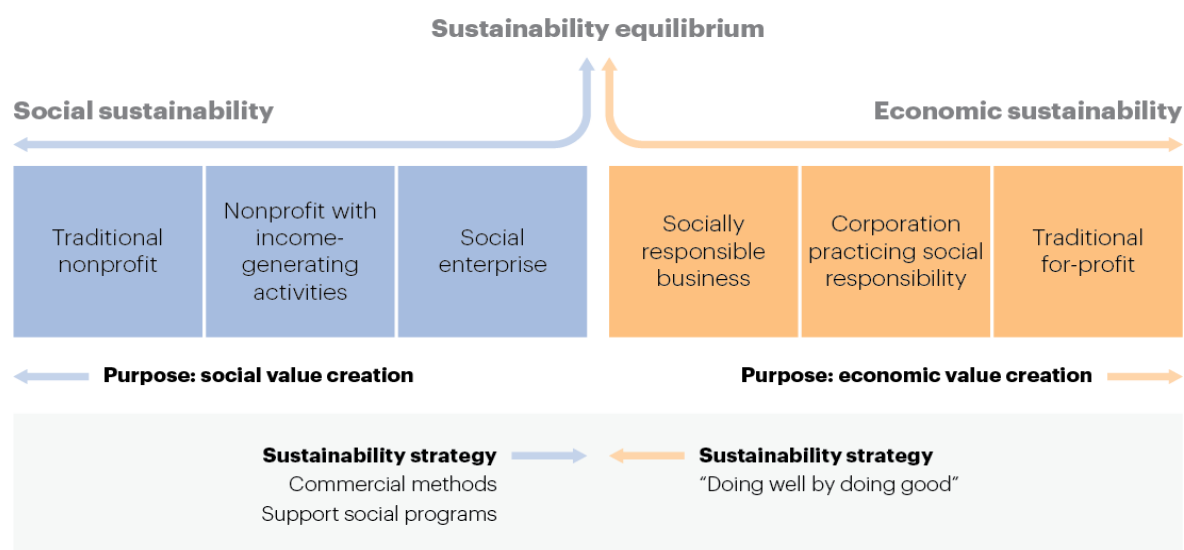
Figure 1:



For comparison, Kearney (2010) presents where social enterprises fall on the sustainability spectrum (Figure 2) and demonstrates where this sector can achieve optimal sustainability while maintaining its social enterprise status.

Figure 2:

Where social enterprises fall on the sustainability spectrum



Sources: The Four Lenses Strategic Framework, Virtue Ventures LLC, 2010; A.T. Kearney analysis

The term social enterprise has over time created mixed definitions. For instance in Europe, social enterprise is defined according to the legal, cultural, operational and social boundaries established by the country in which the sector exists (Johnson and Spear, 2006, Defourney and Nyssens, 2008, Kerlin, 2010, Triantafyllopoulou, 2012). It is these boundaries that create distinctive social enterprise entities or units, as well as a social enterprise/organisational category and framework within which social enterprises can legally operate. The concept of social enterprise is not difficult to grasp, however, it is the notion that it crosses such a wide spectrum of organisational possibilities that creates the difficulty of definition (Grant and Dart, 2014).

In this context, Eversole and Eastley (2011: 8) argue that: defining social enterprise is a vexed question. However, Duniam and Eversole (2013: 5) present a broader definition of the social enterprise concept:

Social enterprises are organisational forms that bridge traditional sectoral categories, using ‘economic’ trading activities to promote social and community goals.

This definition is supported by Social Traders (2014 and 2017) who emphasise that social enterprises ‘trade to fulfil their mission’. Social Traders explain that social enterprise mission is

of economic, social cultural or environmental benefit for community, with disbursement of profit back into the enterprise.

Grant and Dart (2014) concur with other scholars who identify that social enterprises operate across blurred sectoral boundaries, with activities underpinned by market-based ideologies and creating local economic value. In this context, Defourny and Nyssens (2010) argue that social enterprises can be said to be located in an intermediate space, at the crossroads of market, public policies and civil society. This emphasises the complex and even confusing nature of social enterprises through the combination of social mission with commercial/trading activities.

Douglas and Grant (2014) identify the emergence of the concepts social entrepreneurship and social enterprise and explain these concepts as where individuals or groups create new ventures to achieve a social purpose rather than generate personal wealth. Douglas and Grant also suggest that while these two concepts vary, they also interconnect within the social economy setting in which societal change occurs through intervention mechanisms such as trading. Both social entrepreneurship and social enterprise are connected building blocks, and types of interventions that bring about social change within community through long term goals improving quality of life for citizens and the attractiveness of where people live (Galliano, 2005).

Australian literature identifies some academic interest in the social enterprise sector, as well as interest by some central and local governments to partner/support social enterprises (Barraket et al., 2010, Barraket et al., 2012). However, it is the lack of more extensive research into these organisations and their relationships in Australia which is evident. It is this deficiency which contributes to the low level knowledge and understanding about these organisations locally, what they do and what value they creates for the community (Eversole and Eastley, 2011, Duniam and Eversole, 2013).

It is only over the past two decades that social enterprise movements are emerging, and generating considerable interest by academics and the business sector in their purpose, organisational structure, governance, relationships, and most importantly their social impact (Social Traders, 2016). The scope and activities of social enterprises are recognised as playing an important and largely invisible part of our social economy (Barraket et al., 2010).

Indeed, it is this recognition of social enterprises which has significantly influenced interpretation of the term social enterprise, and their commercial/business role in the private, public and third

sector (Defourney and Nyssens, 2008a, Defourney and Nyssens, 2008b, Kerlin, 2010). It is this third sector, often called the non-profit sector or the social economy that is related to the roles of public associations which provide goods and services free or almost free of charge, via voluntary contributions (including voluntary work). Defourney (2001: 1) discussed the third sector as socio-economic initiatives and says:

These initiatives generally derive their impetus from voluntary organisations, and often operate under a wide variety of legal structures. In many ways they represent the new or renewed expression of civil society against a background of economic crisis, the weakening of social bonds and difficulties of the Welfare State.

This suggests that the not-for-profit philosophy has also been strongly aligned with the term social enterprise (Burkett, 2014). However, significant differences between the two emerge particularly in the context of the blurring of sectoral boundaries and a blending of social and environmental aims which are supported by business approaches (Defourney, 2001). In later research work, Defourney and Nyssens (2006: 5) refer to other schools of thought relating to the third sector engaging in social enterprise and stated:

In this case, the social impact on the community is not the only consequence or a side effect of economic activity, but its motivation in itself.

This is supported by Smith et al. (2012) who identify that not-for-profits undertake entrepreneurial and social enterprise activities in an endeavour to develop more sustainable sources of funding through the creation of business activities.

Conversely, McNeill (2009) argues that the concept of social enterprise should be viewed as a movement, because of the wide and differing definitions that attempt to pigeon-hole social enterprises. Defourney (2001: 2) on the other hand is quite clear in his assertion that social enterprises may be regarded as a sub-division of the third sector. Defourney (2001: 7) explains the third sector in the context of the social economy, and states that:

[T]he social economy includes economic activities carried out by co-operatives and related enterprises, mutual societies and associations whose ethical stance is represented by the following principles: the aim of serving members or the community, rather than generating profit; independent management; a democratic decision making process; [and] the primacy of people and labour over capital in the distribution of income.

More recently there is a growing body of academic interest that identifies social enterprises as emerging as a new economic engine (Harding 2004), with social entrepreneurship emerging as the strongest growing economic sector in Australia (Baldassarre, 2012). Social Traders (2014) endorse this by presenting the following statistical evidence:

- *There are an estimated 20,000 social enterprises in Australia. (FASES, 2010)*
- *This number has grown by 37% over the past 5 years. (FASES, 2010)*
- *73% had been operational for at least five years; 62% are at least 10 years old. (FASES, 2010).*
- *Australian social enterprises operate in local and international markets. (FASES, 2010)*
- *39% of all income in the NFP sector is generated through trading activity, equating to \$22 billion annually.*
- *We estimate that social enterprise activity constitutes 2-3% of GDP.*

If these Australian statistics are indicative of the economic strength of social enterprises, then it is their significant activities which have placed them at the forefront of the market economy and social economy.

However, Eversole (2013: 568) maintains that the social enterprises as a sector can be difficult to identify, and stated:

Social enterprises in different contexts take different legal forms, undertake different kinds of 'trade' and emphasise different aspects of their identity and mission.

This suggests that social enterprises look different in different country contexts. It is this inability to define a clear organisational form, together with the vexed question of defining social enterprises which pushes the mainstream view of the third sector. Eversole (2014) also proposes that social enterprises can be thought of as a new way of doing development or counterwork through cross-sectoral relationships that actively challenge the traditional development paradigm. Eversole (2014) also identifies the enigma surrounding the role that social enterprises play within communities. Eversole explains that social enterprises are organisations that play an important role in addressing development issues. Therefore, while development is not the primary aim of the social enterprise sector, it facilitates and participates in the local social and economic development paradigm. What is more, social enterprises see community as a knowledge resource to solve local socio-economic issues by involving community members as stakeholders, participants and owners of local social enterprises (Laville and Nyssens, 2001, Defourny and Nyssens, 2006, McNeill, 2009). Campbell et al. (2011) proposes that this is a responsive

governance approach by social enterprises to respond effectively and efficiently to local socio-economic issues. In this context, Douglas and Grant (2014) identify that scholars agree there is a need for greater understanding of the social enterprise concept.

The process of defining social enterprise has historically aligned social enterprises with the not-for-profit and voluntary sectors (Defourny & Nyssen, 2006) thereby omitting the fundamental characteristic of social enterprises trading to fulfil their social mission. In this context, Douglas and Grant (2006: 14) go on to state:

... there is a need for greater conceptual clarity to accommodate influences from diverse world views and to distinguish between variations of concepts presented under the collected SE umbrella; because approaches used to frame social enterprise organisations were seriously flawed and fundamentally problematic, and criteria to distinguish social enterprise from other organisations were seemingly arbitrary, unstable and unworkable.

However, the concepts of social enterprise, social entrepreneurship and social innovation continue to create debate. For example Campbell et al. (2011: 7) referred to Mair et al. (2006), Nyssens (2006), Nicholls (2008), Robinson et al. (2009), and Ziegler (2009) and summarised that:

... no one set of definitions suffice to describe the multitude of processes and structural forms that characterise social entrepreneurial activity.

Campbell went on to refer to Paulsen and McDonald (2010: 109) who state:

While there is no one definition of what a social enterprise is or should be, most definitions revolve around the concept of integrating business principles with social objectives and purposes.

Social entrepreneurship does however highlight the innovative approach to tackling social needs (Chell, 2007). In this context, Galliano (2005) identifies social enterprise programs which are supported by central governments through funding initiatives and which focus on local socio-economic sustainability. Defourny and Nyssens (2008a and 2008b) raise the point that such programs are an attempt to fix local sustainability through the provision of employment and training and that in fact social inclusion and social capital are simply by-products of social enterprise operations.

By comparison, the characteristics of social enterprises in US, Canada and UK reflect autonomy and citizen initiative in operation and activities demonstrating emphasis on financial self-sufficiency through trading (Johnson and Spear, 2006). However, literature clearly identifies that local regeneration and/or community development is often not achievable unless there is some sort of philanthropic partnership between corporations (private sector) and social enterprises (Tracey et al., 2005, Geddes, 1998); and/or a support partnership between government and social enterprises (Burkett, 2010, McNeill, 2009, GROW Sydney ACC, 2009, Hudson and Eversheds, 2012, Deloitte UK, 2012). It is in this context, Porter and Kramer (1999) emphasise that philanthropy is about creating value through cross-sectoral partnerships, and emphasised that: ... when a donor gives money to a social enterprise, all of the money goes to work creating social benefits.

Barraket et al. (2010) relate that in Australia the social enterprises create social and economic benefits on one hand, and on the other encourage greater citizen participation/involvement in achieving the social mission of the social enterprise. What is more, Barraket et al. (2010: 5) emphasises that:

Collectively, Australian social enterprises are multi-resource organisations, relying on a combination of paid and unpaid workers, in-kind contributions, and earned income and other income streams to fulfil their mission.

This is supported by Eversole and Eastley (2011: 3) who discuss resource mobilisation within Tasmanian social enterprises, and state:

Collectively, Tasmanian social enterprises employ individuals with a broad range of skills for management, administrative and operational roles.

In discussing the economic dimensions of social enterprises, Campbell et al. (2011: 9) refer to Defourny and Nyssens (2006: 12) who argue that:

... the financial viability of the social enterprise depends on the efforts of its members to secure adequate resources to support the enterprise's social mission, but these resources can have a hybrid character and come from trading activities, from public subsidies and from voluntary resources obtained thanks to the mobilisation of social capital.

This also identifies that social enterprises must develop relationships with community and funding bodies to support social mission. Social enterprises must engage community in its trading

activities to support viability of its operations, and also engage participants from community to support and grow social capacity and social capital of the organisation. The focus of this next subsection looks at these relationships to determine relationship models and relationship outcomes.

2.3.2 Social enterprises: relationships

The broad definitions of social enterprise provide insight into the role of these organisations within community as development actors within the social economy. This suggests that the relationship social enterprises have with community, is central to enterprise activities, ergo operating within community with an explicit aim to benefit the community (Kerlin, 2009). Other relationships that social enterprises have are identified by Kain et al. (2010) who presents examples of six engagement frameworks that demonstrate relationships between local government and social enterprises in Canada. This framework describes the extent and nature of these relationships, in particular community and economic policy development that guide municipal action:

Solitudes – A situation where there are no relationships between the government and social enterprise sectors.

Coffee Shop – Enterprises operated by small local governments, where interactions between community and local government identify resources that can be easily and organically harnessed for creative community solutions.

Partnering – Large, well-established enterprises that share specialised expertise and resources which may be facilitated by local government or community.

Linking and Leveraging – A specific type of partnership between social enterprises and external funding bodies (including local government) established primarily to access external resources.

Internally Integrated – Advocates sustainable and integrated local development by connecting local government departments to implement a progressive social procurement policy. This framework can be particularly effective for achieving organisational transformation within local government.

How Can We Help – A framework by local government that responds with strategic and focused interventions to community needs identified by social enterprises and/or other socio-economic development actors.

Similarly, Barraket et al. (2010) identifies Australian examples such as the Parramatta Social Enterprise Hub, a collaboration between Social Ventures Australia (2010) and Parramatta City Council to support the growth of existing social enterprises and create additional jobs for marginalised people as well as assisting in the establishment of new social enterprises by providing mentoring and training. Another local government initiative is the development of the City of Melbourne 2009-2013 Council Plan (Enterprise Melbourne, 2012) giving focus to the creation of economic prosperity by supporting diverse, sustainable and resilient enterprises such as social enterprises and micro-businesses. To support this initiative, the State Government of Victoria has developed a social procurement guide for Victorian Local Government (State Government of Victoria, 2010) through their councils' Reforming Business Program which offers knowledge in areas such as legal advice, strategic procurement advice, expertise/knowledge consulting, mentoring and partnership development, social enterprise development and brokerage and workforce participation. While this literature does not identify whether these relationship examples between local government and social enterprises operate on an equal collaborative footing, Johnson (2016) makes two strong recommendations:

1. *All levels of government to further incorporate the principles of social procurement into their procurement processes to emphasise consideration of social impact by:*
 - a. *Embedding social benefit clauses in traditional contracts; and*
 - b. *Negotiating tendering with social benefit providers.*
2. *Facilitate access to finance and investment-readying resources appropriate for small and medial social enterprise by:*
 - a. *Creating a new community company legal form specific to social enterprise; and*
 - b. *Create a stronger investment readiness program.*

It is evident from the examples provided that there is growing acknowledgement of the value of local social enterprises by governments. It is also evident from the activities of these examples, that social enterprises create situations to improve citizen's individual welfare, which are valued by citizens as a mechanism for building social capacity and social capital. Creating value is the focus of the next subsection.

2.3.3 Social enterprises and value creation

Literature on the social enterprise concept provides a variety of definitions, particularly around earned income and social innovation. The Social Enterprise Knowledge Network (2006) expands the social enterprise concept by emphasising the importance of outcomes, and not just intentions or activities. This Network says that social endeavours of social enterprises are concerned with issues of economic sustainability while at the same time facing the added challenge of trying to assess social value creation. It also emphasises that both economic and social value creation are of equal importance, and that the generation of value is the ultimate objective of these enterprises.

From a European perspective, Laville and Nyssens (2001), Galliano (2005) and Defourney and Nyssens (2008) present the same view about social enterprises and relate that the goal of each enterprise is to serve the community by enhancing collective externalities and equity issues. However, Santos (2009) proposes an opposing view that value creation by social enterprises is not an expectation or a goal, rather it is an added aspect to the activities of social enterprises to achieve outcomes and sustainability. Social enterprise literature does not clearly articulate the relationship between social enterprises and value creation, however there are many examples which unpack what social enterprises do, and the value social enterprises create.

Reasons for the establishment of social enterprises are varied, the primary one being the identification of a social deficit within the social economy of a community. For example, Pritchard and McManus (2000) strongly assert that a significant issue for Australia is the decline in rural areas where small local governments struggle with economic and social sustainability, no longer able to deliver services, which they suggest can erode the social capital of the community. In this context, Pritchard and McManus refer to social and economic disequilibrium between prosperous urban and disadvantaged rural areas leading to disaffection with governments, and an obvious lack of community resilience to manage such crises. This of course reveals subsequent social and economic problems and dilemmas. Understanding or even experiencing these problems provides opportunities to develop solutions, which requires some sort of action either by individuals or a group as a collective endeavour, for example social enterprises. Brouard et al. (2015) presents practical examples of Canadian social enterprises that provide an enabling environment for enterprise participants through innovation, entrepreneurship and social enterprise networks.

While Pritchard and McManus do not explicitly write about social enterprises, their argument provides context for rural social enterprise development.

Similarly, (Barraket et al., 2010) opens up the discussion of social enterprises serving local communities in the Australian context, particularly as they identify that:

Recent changes to federal employment services have identified social enterprise development as one form of social innovation capable of generating jobs and employment pathways for those most disadvantaged in the labour market.

Work integration programs delivered by social enterprises in Europe are an example of such intervention. A further example is a Transitional Labour Market Program for marginalised and unemployed indigenous and non-indigenous youth providing training at a high end restaurant in Sydney, which is supported by enterprise earned income (Campbell et al., 2011). This initiative reflects a clear social mission which is the dominant reason for social enterprise business activity, and it is this business activity within mainstream and social economies which clearly contributes to local economic development and enterprise sustainability.

Galliano (2005) and Downing and Charron (2010) explain the concept of social economy as emerging from the third sector which they explain as a diverse array of organisations outside the public and traditional private sectors encompassing cooperatives, mutuals, associations, foundations, charities, voluntary and no-profit organisations. These researchers concur that the social economy is the key to revitalising local communities with a goal of sustainable development, which is strongly rooted in the local context. Noya and Clarence (2008) also believe there is potential for the social economy to have greater influence on social inclusion outcomes through the development of flexible and responsive social economy organisations. They suggest that this will also raise awareness of policy-makers to actively incorporate social inclusion in community economic development activities.

Taking this one step further, Kenny, 1999 and Haugh, 2006 identify that social enterprise activities that develop individual and group capacity, increase adaptive capacities of individuals and groups thereby mitigating risk and building resilience for mutual benefit in adverse social conditions. This also reflects that building community and economic development within local communities requires community capacity and resilience to deal with declining social and economic conditions which places communities, organisations and/or individuals in a position of endeavouring to

mitigate social disadvantage gaps (de Silva, 2011). However, McIntosh et al. (2008: 4) emphasises that not all communities are able to effectively respond to these challenges. They refer to Vinson (2004) who believes that these vulnerable communities do not necessarily lack inner strengths and potential, but with reasonable opportunities and empowerment they can develop social and economic growth and resilience.

Dey (2014) claims that social innovation is intertwined with the broader concept of social entrepreneurship an entrepreneurial action in response to a social need to achieve social change. Social innovation is an attribute of the social economy and is defined by the (Collins Dictionary, 2013) [online] as being:

Innovations that are social in both their ends and means-new ideas [products-services-models] that simultaneously meet social needs and create new social relationships or collaboration.

Shockley and Frank (2011) and Kury (2012) also consider social innovation/entrepreneurship as prominent causes for social change and propose social entrepreneurship as an activity where an opportunity arises to satisfy unmet social needs and bring about social change.

The concept of social entrepreneurship is identified by Weerawardena and Mort (2006) as an emerging field in academic research. They suggests this is primarily because of the capacity of social entrepreneurship to achieve a sustainable competitive advantage [in mainstream markets], allowing social enterprises to achieve their social mission. Weerawardena and Mort also suggest this is attributed to economic activities [by NFPs] where emphasis is placed on the dual bottom line which ensures that investment generates both economic and social rates of return.

The significance of social rates of return are the subject of a report produced by Social Ventures Australia (2012) who also emphasise the importance of monitoring social return on investment against past activities/outcomes and future (forecast) outcomes to improve transparency and performance of Not-for-Profits and social purpose initiatives more broadly. Literature identifies that Social Return on Investment (SROI) data not only improves future performance, but it encourages investors (including corporations and governments at all levels) who want to know the social value their investment is creating (HM Government, 2014).

The opportunities provided by social enterprises for local economic development and sustainability build connection between citizens and community of place, and this relationship

builds identity and meaning which is symbolic of personal and shared growth (McNeill, 2009). Social enterprises provide special places within community, which Kyle and Chick (2007) define this by what occurs there [within place] and with whom [people] rather than the physical attributes of place. Furthermore, by developing resilience within people, groups and communities, social enterprises not only build social and economic capital of place, their activities build local knowledge of what can and does contribute towards community well-being and socio-economic development (Verity, 2007).

2.4 LOCAL GOVERNMENT AND SOCIAL ENTERPRISES: IS THERE POTENTIAL FOR RELATIONSHIPS?

This chapter presents local government as a traditional bureaucratic institution operating within legislated boundaries for community – geographical/spatial and demographic/social. This chapter also relates that social enterprises emerge from community of place, and are defined by their business activities and social mission, operating within and across local communities. It is clear from the literature that local government and social enterprises, are agents of place meeting local needs, but from different perspectives. What is more, local government and social enterprises are considered to be a key players in community development, but from different perspectives. Local government demonstrates a top-down approach to community development, whereas social enterprises approach community development as bottom-up social change agents. It has been identified that local government strategically shapes place and is an advocate for citizens and place. Social enterprises are seen as self-organising community organisations operating within mainstream and social economies, and are advocates for citizens and place through agency intervention, community engagement and citizen participation. These identified features of local government and social enterprises strongly suggest that community is a common factor and nexus between these two organisations.

McKinlay (2010) proposes a significant climate change for the role of local government [globally and locally], and this is underpinned by the real crisis facing local government today, the contraction of resources [income] against expanded service delivery requirements (Australian Local Government Association, 2016, Martek 2016). Literature identifies that local government is constantly facing public and central government scrutiny creating significant pressure to reform itself so as to effectively meet developing social realities within local communities, particularly in the context of local sustainability. What is more, contemporary society [community] at the grass

roots level is seen to be in a continual state of flux and there are increasing pressures from community and citizens who expect to have their say and participate as partners in local government policy design and service delivery. For example, Taylor and Zenkteler (2016) highlight successful community consultation mechanisms used as a framework to influence the delivery of collaborative strategic policy making in land use planning. Therefore collaboration as part of community engagement urges local government to consider reshaping itself from a corporate government stance to one of democratic/community governance (McKinlay et al., 2011, Aulich et al., 2011b). This proposition raises the question: does local government see this as a crisis or an opportunity?

These examples reflect the proposition by Alford and O'Flynn (2008: 3-4) that public sector organisations must meet three broad tests:

It must: (1) be aimed at creating something substantively valuable (i.e. constitute public value); (2) be legitimate and politically sustainable (i.e. attract sufficient ongoing support – and concomitant resources – from the authorizing environment, that is, from political and other stakeholders taken as a whole, with due recognition of their differential power); and (3) be operationally and administratively feasible (i.e. doable with the available organizational and external capabilities needed to produce it) (Moore 1995:71).

Eversole (2013, 2014) suggests that the future role of local government in developing a sustainable socio-economic community requires a collaborative approach with other local development actors. It is evident that local development actors such as social enterprises already offer a greater range of public participation initiatives that engage local communities. Furthermore, Eversole (2014) suggests that a cross-sectoral approach is not just a strategic community engagement initiative but is an arrangement with reciprocal benefits supporting active citizenship to build capacity of citizens and communities. This cross-sectoral approach identifies potential solutions to emerging local social issues. In this context, literature also suggests that a collaborative process of centralising purpose and value together that is operationally and administratively feasible will potentially legitimise or give social license to what local government does in the future (Alford and O'Flynn, 2008).

The following conclusions emerge from the literature which contribute to development of a theory relating to the potential value of a relationship between local government and social enterprise:

- both local government and social enterprises have strong relationships with community, operating as agents of place (from different perspectives) within community;
- location and demographics determine social needs of community;
- local government place emphasis on place-shaping and developing community of place;
- social enterprises place emphasis on developing individual and community capacity;
- local government focuses on local economic sustainability;
- social enterprises operate within the social economy, trading to fulfil its mission;
- actions by local government support community development; and
- actions by social enterprises build community capacity.

These factors have begun to build a picture of local government and local social enterprises within local community, and their focus on social and economic well-being of local communities, but from different perspectives. Literature also clearly identifies that the crises [global and local] facing local government today will have a significant impact on its ability to maintain sustainability and deliver services to meet the changing economic and social needs of local community. Social enterprise literature also relates that social enterprises actively participate in the local mainstream and social economies, demonstrating their capacity to meet the social needs of community. Therefore this again suggests that the connection between local government and local social enterprises is their individual and yet interrelated relationships with community.

There is limited evidence in the literature of relationships between local government and social enterprises, which is discussed only in terms of location, legal frameworks, and social mission. However, it is suggested that the notion of relationships requires the application of the philosophy of connection, commitment, cooperation and trust and the positive behavioural intentions of participants (Kleinaltenkamp et al., 2015: 30-31). Kleinaltenkamp et al. also emphasises that participants have expectations from relationships, and that benefit of any relationship is at risk if expectations are not met. This also suggests that participant expectations establish the purpose of relationships, and that connection, commitment, cooperation and trust influence the sustainability and outcomes of relationships (Anheier and Kendall, 2000).

What is more Eversole (2015: 81) relates that a partnership is a relationship among organisations, and argues that the purpose of the partnerships is in the context of what resources and influence each partner brings to the table. Eversole argues that an effective partnership to achieve reciprocal benefits will only occur when relative aims, resources and relative power are aligned. This suggests that partnerships are not an easy process, and may fail if any of these elements are not aligned.

The story of local government and social enterprises has so far been told from an academic perspective and identifies their interactions with community and the value each contribute to the social health and well-being of community. These academic perspectives provide background for this study and emphasise that this study will provide greater understanding and knowledge of local government and social enterprises for practitioners and academics in the field of local government and social enterprises, their relationships and value creation.

CHAPTER 3: METHODOLOGY

This study focuses on two categories of organisations: local government and social enterprises, and places emphasis on the nature, extent and purpose of relationships between these organisations in specific local contexts. Chapter two identifies similarities between local government and social enterprises and their community development activities, which raises the question why there is not more of a well-developed set of relations? In this context, this study seeks answers to the following primary question: ***What is the value proposition of a relationship between local government and social enterprises in Tasmania?***

Chapter two also demonstrates that such relations, partnerships and collaborations with communities of place are significant to the way the role of local government in Tasmania is evolving. This led to the question regarding the relationship between local government and social enterprises, the potential value of this relationship and how it may influence the current and future role of local government in Tasmania. Review of literature also identifies that this question has never been asked before; therefore it merits further exploration due to the emerging/changing role of local government.

The importance of this research is grounded in the challenge for reform of local government and a push for more effective engagement with community, particularly in relation to meeting contemporary economic, social and demographic needs within those communities. In this context, the challenge for local government is to embrace localism with an expectation for clear and decisive transformational action to renovate how things used to be done to a new more responsive way of working (Jones et al., 2011, Martin, 2011, Evans et al., 2012).

Megele (2012) and Jones et al. (2011) question whether local government meets contemporary needs of citizens and community. And in the context of this study, the question is also asked about the role of local government in Tasmania and the services it provides, and whether it meets contemporary needs of local community. This leads to a further question about the relationship local government in Tasmania has with community, in particular partnerships (if any) local government has with community organisations to generate place-based solutions. It is identified that community organisations such as social enterprises already operate within community as community development actors generating place-based solutions, suggesting there is

opportunity for cross-sectoral (private and public) collaboration (Barraket and Archer, 2009, Aulich, 2009, Pillora and McKinlay, 2011, Dollery et al., 2011).

3.1 AIMS AND CONTEXT

The study is guided by the following secondary questions:

- What challenges and trends are shaping the current and future role of local government in Tasmania?
- What is the nature of existing relationships between local government and social enterprises in Tasmania?
- What potential relationships may be possible between local government and social enterprises?

To further explore the primary research question, this study unpacks the extent and nature of existing relationships between local government and social enterprises in Tasmania, and seeks to:

- a) Generate understanding of the contemporary role of local government;
- b) Generate knowledge and understanding of local community organisations such as social enterprises and their role within community, in particular local socio-economic development;
- c) Identify examples of relationships between local government and local social enterprises;
- d) Identify the nature and structures of collaboration between local councils and local social enterprises;
- e) Provide useful information on factors that have impact on and/or contribute to the successful (or unsuccessful) engagement and/or partnerships between local government and social enterprise;
- f) Support and enrich theoretical modelling of engagement and partnerships between local government with social enterprises; and
- g) Inform local government and social enterprise entities in Tasmania of the potential value of such interdependent relationships.

3.2 FRAMEWORK AND APPROACH

The focus of this study is the many challenges facing local government in Tasmania, and local government's approach to community engagement and community development to solve local problems. In this context, this study explores existing relations and collaborations of local government with other community development actors, for instance local social enterprises that already deliver local solutions to local problems.

To ensure the best possible research outcomes, this research is predominantly in the form of systematic qualitative enquiry to explore and grasp the cognitive and experiential stance of participant real world settings (Golafshani, 2003). In this study, practitioners from local government and social enterprises are participants, providing their own socially constructed nature of their enterprise (Denzin and Lincoln, 2003). The social reality is the background, status and environmental interactions within a given social unit, an individual, group, institution or community (Isaac and Michael, 1987). To capture the social reality of this study, the case study methodology is also employed as both the most appropriate research approach as well as being the product of the enquiry (Cresswell, 2013). This approach captures rich narrative data and diversity of thought of participants that represents a discoverable reality through data analysis (Seely-Brown & Duguid, 2001, Lorenz, 2001, Larkin et al., 2006). This suggests that meanings emerge from the research data within a constructivist framework.

Furthermore, the constructivist approach is taken to identify local government case studies that are already interacting with social enterprises so as to produce an understanding of these entities and their relationships. These case studies allow focus on these relationships from an anthropology of development perspective. This is of specific interest, particularly at the point of where these relationships intersect, the impact of this intersection and the logic of the relationship (Olivier de Sardan, 2005).

3.3 METHODOLOGY

This systematic qualitative study is grounded in case study methodology. Case studies provide an opportunity for the researcher to be situated as a participant in the real world (Walter, 2010); ergo the real world of local government and social enterprises. The scope of this enquiry allows for both participant representation of the institution of local government and its culture and

operational and governance models of social enterprises. The scope of this enquiry also allows for researcher reflections on interviews (Heron and Reason, 1997), of case study councils and case study social enterprises to construct insight into the phenomenon of relations or relationships between local government and social enterprises. However, it is primarily the thoughts and perceptions of the participants within the study, and the meanings they attach to their situation and events that this approach captures.

There are two key elements to be considered when selecting research approach and methodology, both of equal importance: 1) the research question (Guba and Lincoln, 1994); and 2) the consumer [or reader] of analysis text [narrative] (Harris and Jiminez, 2001, Silverman, 2006). In this context, the research methodology needs to work within specific boundaries which are determined by the problem [research question] and resources necessary to achieve research outcomes [possible answers].

It is important at this point to define the researcher's position as a researcher, simply because of possible influence on all or some components to be addressed in the research. Many texts emphasise the importance of this issue, for example Walter (2010) and Saldana (2011) consider it relevant to the way research may be undertaken. Therefore, how the researcher sees and understands the world may inevitably filter and frame interpretation and outcomes.

The researcher of this study currently holds a position as a councillor (eleven years) and Deputy Mayor (two years) in local government in Tasmania. In this role the researcher experiences the challenges first-hand within local government, primarily its governance role and economic and social development. For the researcher, networking with other local government elected representatives identifies that all councils are very aware of how things stand at the moment for local government in Tasmania and how things are evolving. The researcher also participates in several local social enterprises at executive level.

Willis (2007) also emphasises the importance of identifying the suitability and position of the researcher, because of the influence of possible pre-existing theories and/or assumptions about the topic. Identifying the researcher's position underpins a methodological self-consciousness of research context while at the same time the researcher is aware of possible tensions between researcher position and the aim of the research. The researcher acknowledges that prior knowledge of study topics may influence understanding and research outcomes. To minimise

researcher bias, the researcher intends to re-evaluate impressions of respondents and data, and to challenge any pre-existing assumptions and hypotheses relating to this study. Furthermore, the researcher will purposefully encourage general discussion at the commencement of interviews to directly emphasise that the participant and participant responses are the primary focus of the study.

Given the researcher's position and standpoint, it is considered that a combined qualitative and quantitative research approach and case study methodology provides rigorous data collection and analysis which reflects the researcher's own history, culture, personal experiences, values and ethical practices (Cresswell, 2013). The personal and professional position of the researcher is to be fully identified and discussed with study participants prior to interviews so as not to create a false understanding of personal intent and that of the research project.

While the qualitative approach is more aligned to idiographic [social reality] explanations, it is determined that there is also a need for nomothetic explanations or some quantitative description of participant cohort (Babbie, 1999). Quantitative data is gathered using an eSurvey, and in this context the combination of the qualitative approach and quantitative approach [survey] triangulates data, validating evidence and identifying differing ideologies between the two actors - local government and social enterprises (Golafshani, 2003). Walter (2010: 26) suggests that the combination of qualitative and quantitative approaches has created a synergy of results that are: rich in meaning and understanding of social processes. Golafshani (2003: 597) makes comparisons between validity and reliability of quantitative evidence and qualitative evidence and refers to Winter (2000) and Hoepf (1997) who emphasise that: ... precision, credibility and transferability provide the lenses of evaluating the findings of a qualitative research.

However, in the context of the constructivist research paradigm, it is acknowledged there are some limitations. The underlying approach of eSurvey and interviews does not give direct access to facts or events, nor does it relate directly about participant's experiences. A degree of interpretation of elements of the data to determine which is important to the exclusion of other material is required. It has been argued that this approach lacks rigour, and therefore compromises validity (Silverman, 2006, Atieno, 2009). However, it is analysis of whole situations [case studies] to inform interpretation which allowed construction of meaning and sense-making, thereby increasing reliability and validity of data (Burns, 2000).

Rather than reliability and validity, Saldana (2011) believes other constructs in the qualitative paradigm are more appropriate; credibility and trustworthiness. Credibility of this study is established in several ways. For example, an initial literature review [with credible references and bibliography] gave foundation knowledge of the topic. Credibility is established by specifying particular data analytic methods to be used, for example a description of how data is triangulated, and/or the process of coding and theming of transcripts. This also supports assertions and results by quoting participants directly and/or including field note excerpts.

The selection of case study methodology reveals case study characteristics which give rich opportunity and exemplar to expand the fundamental view of participants (Heron and Reason, 1997, Saldana, 2011). Despite qualitative evidence being termed as soft or anecdotal data in comparison to quantifiable/statistical hard data, it is the qualitative enquiry which allows for study of single units [case studies] for analysis. These single units are termed as an ideographic approach by Burns (2000). In this study, the purpose of single units of study, or case studies, for example local government and social enterprises, reflects comparable individual representations of the real world and social reality. Furthermore, as Burns (2000: 391) discusses, these: single units provide an opportunity to investigate complex and interwoven variables and investigate real or hidden meaning and context to provide clear insight into human behaviour.

Case studies are considered a valuable tool in the main methodology to this investigation because they are intensive, and gather rich data which is the foundation for future research. And in this context, case studies are also considered to be the most effective technique to support the constructivist approach and explanation building (Burns, 2000). Case studies units stand alone and as such provide a method of uncovering independent and dependent variables from each separate selected case, allowing for pattern matching and comparisons of common and differentiating attributes. Babbie (1999) highlights that case studies provide an emic perspective of individuals and groups within community, allowing participant viewpoints about how they categorise and perceive their world, together with a sociological analysis of organisational structures and processes.

Bogdan and Knopp Biklen (2006: 29-30) state that: case studies are *particularistic* (focusing on a particular situation/phenomenon), *descriptive* (illustrating the complexities of a situation) and *heuristic* (explaining the background of a situation). What is clearly significant as identified by Flyvbjerg (2006) is that case studies have a role in human learning because they produce context-dependent knowledge and develop a nuanced view of reality (including that of human

behaviour). Flyvbjerg refers to John Walton (1992: 129) who observed that: case studies are likely to produce the best theory. What is more, this chosen approach and methodology for this research study supports and enriches theoretical modelling, particularly in relation to relationships between local government and social enterprises.

Burns (2000) suggests that a case study may be unique and valuable in its own right because it aims at probing deeply and analysing intensively the multifarious phenomena presented. Burns also identifies that there is an argument against the use of case studies. Burns highlights the stance of scientific researchers who maintain case studies as unscientific because they cannot be replicated and results may not be able to be validated or generalised beyond cases similar to those studied. Therefore it is essential that the researcher acknowledges subjective biases that may influence study outcomes, and to use triangulation of data to provide sufficient evidence with which to build credible, dependable constructions. This is achieved in this study by using surveys and undertaking interviews to enhance validity of data (Golafshani, 2003, Silverman, 2006, Gibbs, 2007, Saldana, 2011).

3.4 RESEARCH STRATEGIES AND METHODS FOR DATA COLLECTION

This study is conducted in a number of phases and are detailed in the following subsections:

3.4.1 Phase one: literature review and scoping study

Phase one of the research strategy was a review of international and Australian literature which is supported by a scoping study undertaken by Duniam and Eversole (2013) in partnership with the Australian Centre of Excellence for Local Government (ACELG). This initial study is a first attempt to scope what is known about relationships between local government and social enterprises in Australia and overseas.

This literature review critically analyses international and Australian source materials to determine limitations and gaps in previous research (Garrard, 2004). This includes books/book sections, journal articles, reports, working papers, conference proceedings, theses, and web pages (which presented the most up-to-date information). Some older academic publications are included as a relevant data source to support the scope of research into the extent, nature and purpose of relationships between local government and social enterprises.

Documents were organised using EndNoteX5 to record title/authorship, date of publication, reference type, URL and key words together with an attachment of the original document where possible. Each source document was reviewed and filed under categories initially determined according to content commonality. A literature review matrix was developed for each one of these categories, sorting each document under specific column topics: author/s, title, type of document, source of document, purpose of paper, key words, etc. The aim of this review is to determine what is currently known about the relationship between local government and social enterprises. This method also allows structured abstracting and synthesis of topics and concepts, together with critical analysis of document purpose, research methods and results as well as identifying missing or inadequate topics (Gibbs, 2007, Cohen, 2008).

3.4.2 Phase two: eSurvey

A survey instrument was developed for the first phase of the fieldwork because it provides a primary source of information – i.e. in the absence of published data on existing relationships between local government and social enterprises in Tasmania. It was distributed to capture data directly in electronic format. An online survey approach was chosen because of the convenience and efficiency of distribution in an endeavour to encourage willingness for faster responses from participants. While the survey method is a non-experimental descriptive method, one of the major benefits is that qualitative data can be coded to a numerical value (Saldana, 2009). This data was then used to summarise variable characteristics such as numbers of councils that have existing relationships with social enterprises and numbers of councils that have social policies which include social enterprises.

To increase the validity and reliability of the survey instrument it was considered prudent at this point to pilot the eSurvey (Silverman, 2006). The approach to this pilot was to randomly select three local councils to respond online to the eSurvey. Phone and email contact was made with a council general manager, an executive manager from an organisation and development department; and a governance manager from a third council. The URL for the eSurvey was emailed to each participant, with each agreeing to undertake the eSurvey and provide comments by phone to the author at the same time. This procedure lasted approximately 15 – 20 minutes per participant, and resembled a conversation rather than a structured interview. The pilot report (see Appendix 1) details initial questions used, pilot study participant comments and recommendations for changes. This pilot determined the effectiveness and efficiency of the

original survey document, as well as giving a preliminary insight into the understanding these participants had in relation to the role of local government and their/its knowledge of social enterprises. Appendix 1 includes amended questions used in the final eSurvey document on Survey Monkey.

The Local Government Association of Tasmania (LGAT) agreed to partner in the dissemination of information about the aims of the project through email to all councils by the Policy Officer of LGAT to all twenty nine Tasmanian councils. This was followed by an email invitation for all twenty nine Councils to participate in the eSurvey (using Survey Monkey), seeking a response from each General Manager (or his/her delegate), with a request for completion/submission by 9th October 2013. To encourage a greater number of responses, a reminder was sent out via Survey Monkey on the completion date and a further follow-up reminder by the Policy Officer of LGAT in mid- November, extending the completion/submission date end November 2013. Of the twenty nine councils contacted to participate in the on-line survey, a little over 50% responded. Although this was a good response rate, it was below anticipated responses. It should also be noted here, that this primary phase of the fieldwork involved only local government councils in Tasmania which provided data for analysis leading to a selection of local government case studies.

The aim of the eSurvey was to garner contextual data on knowledge of social enterprises and existing relationships between local government and social enterprises in Tasmania. The aim of the eSurvey was also to make rigorous selection of a cross-section of case studies by collecting some preliminary data from the local government population in Tasmania (see Appendix 2). 93.3% of the fifteen respondents identified that they do work with or collaborate with organisations that fit the definition of social enterprises. 42.9% of these were council-owned, and 71% of councils responding provide financial and infrastructure support (offices, rooms, facilities). Yet only one of 15 responding councils had a relevant social policy. Activities of social enterprises identified by respondents were conducted across a broad variety of areas, with 73.3% identifying family support as the predominant activity and 40.0% identifying culture and leisure next in line. All council respondents identified strongly that there are benefits in a relationship between their council and social enterprises. However, only one council indicated that it had social policies that related to social enterprises, but 100% said that such policies would benefit their council in the area of community engagement, community development, and economic and social development. This suggests that further research may be needed in this area to determine the real reasons councils said they would benefit from social policies that related to social enterprises.

3.4.3 Phase three: local government case study selection

The third stage of this study was to select potential local government council case studies (see Appendix 3). Seven councils were selected as potential case studies because they demonstrated broader knowledge of local social enterprises and of existing relationships between local government and social enterprises. These seven councils were identified as having the most prevalent knowledge of social enterprise activities. Three of the seven councils placed the responsibility of social enterprises within their Economic Development and Community Development departments, three nominated Community Development as having sole responsibility and one nominated Economic Development as having sole responsibility for social enterprises. Five councils indicated they have no policies relating to social enterprise, however two did make reference to social enterprise in community support guidelines.

To facilitate selection of final four case studies, case boundaries were determined by focusing on four key questions:

- *In what specific ways does your council work with social enterprises?*
- *In what areas do these social enterprises work?*
- *Which area or department of your council has responsibility for social enterprises?*
- *Does your council have any policies related to social enterprises?*

And for broader analysis of these seven cases, location and population base of each municipal area was included because of potential influence each of these variables may have on the extent and nature of the relationship between local government and social enterprises (see 3.4.3 Table 1 below).

3.4.3 Table 1: Population Municipal Areas (Source: www.abs.gov.au as at 31/03/20110)

Municipal area	Populations
Glenorchy	44,716
West Tamar	22,699
Burnie	19,892
Meander Valley	19,747
Waratah-Wynyard	14,096
Northern Midlands	12,726
Glamorgan-Spring Bay	4,057

Further differentiation of the seven councils was made by reviewing online (website) profiles of each of these potential case study councils, in particular to determine range and extent of community engagement and socio-economic base within each municipal area. Briefly, the profiles identified:

- Glenorchy municipal area has the largest population, but has a significant culturally diverse and disadvantaged population, and in collaboration with community have developed and implemented a socially inclusive Social Plan. (See <http://www.gcc.tas.gov.au/>)
- West Tamar municipal area has a steadily increasing population, a slightly higher index of relative socio-economic disadvantage, and an unemployment rate of 5.5%. The West Tamar Council acknowledged its need to plan for increased mental health and aged care provision. (See www.wtc.tas.gov.au/)
- Burnie City Council has in consultation with over 500 community members developed a Community Plan: *Making Burnie 2030*. This Plan has enabled the Burnie City Council and its community to collaboratively reflect on its heavy industrial past, understand current socio-economic issues, and re-establish a vision for the future. The Burnie municipal area had been rated as an extremely low socio-economic area, with very high youth unemployment. (See www.burnie.net/)
- Meander Valley municipal area comprises of 10 small townships with Deloraine as its main centre, and has the reputation of being one of Tasmania's more progressive and pro-active Councils, attracting considerable investment in agriculture and urban development. While Meander Valley is challenged by an ageing demographic and an unemployment rate of around 6%, it hosted 2 significant community-driven nationally recognised events – Agfest and Deloraine Craft Fair. Meander Valley Council also had a 'working together' policy that had encouraged the establishment of community working groups, eg Meander Valley Economic Renewal Action Group. (See www.meander.tas.gov.au/)
- Waratah-Wynyard municipal area sits between Circular Head and Burnie municipal areas. This municipal area was also challenged by an ageing demographic and high unemployment. This area supported agricultural industries, eg tulips/flower production, timber and potatoes, and tourism, eg Waratah, the Tarkine, and Corinna. Waratah-Wynyard comprised several small townships, the main business centre is Wynyard. It is noted here that Waratah-Wynyard Council is where the researcher is an elected representative. (See www.warwyn.tas.gov.au/)

- Northern Midlands Council also comprised several small townships, with an ageing demographic and high unemployment. Northern Midlands Community Development Plan supported community-driven change supported with council resourcing and facilitation. Northern Midlands profile information does not provide in-depth statistical data relating to local socio-economic needs. (See www.northernmidlands.tas.gov.au/)
- Glamorgan-Spring Bay municipal area incorporates five major townships and several smaller villages and outlying farming communities. While the website profile did not provide full demographic information, population downturn indicated a correlation in the downturn in the economy of this area. The Glamorgan-Spring Bay Council has established Section 24 Committees that oversee community facilities, events and community services. (See www.gsbc.tas.gov.au/)

After analysis of all the above data, Burnie City Council, Meander Valley Council, Glamorgan-Spring Bay Council and Glenorchy City Council were selected as final case study councils in this study. However, to further determine appropriateness of this selection other key factors were considered – geographical location, municipal area, and socio-demographics. Analysis of these factors as presented in 3.4.3 Table 2 demonstrate the wide geographical spread of these case study councils and the diversity of the sizes of each municipal area. Median age, main employing industry, average wage and population also identifies socio-demographic variability as possible influences on government and governance of each of these case study councils.

3.4.3 Table 2

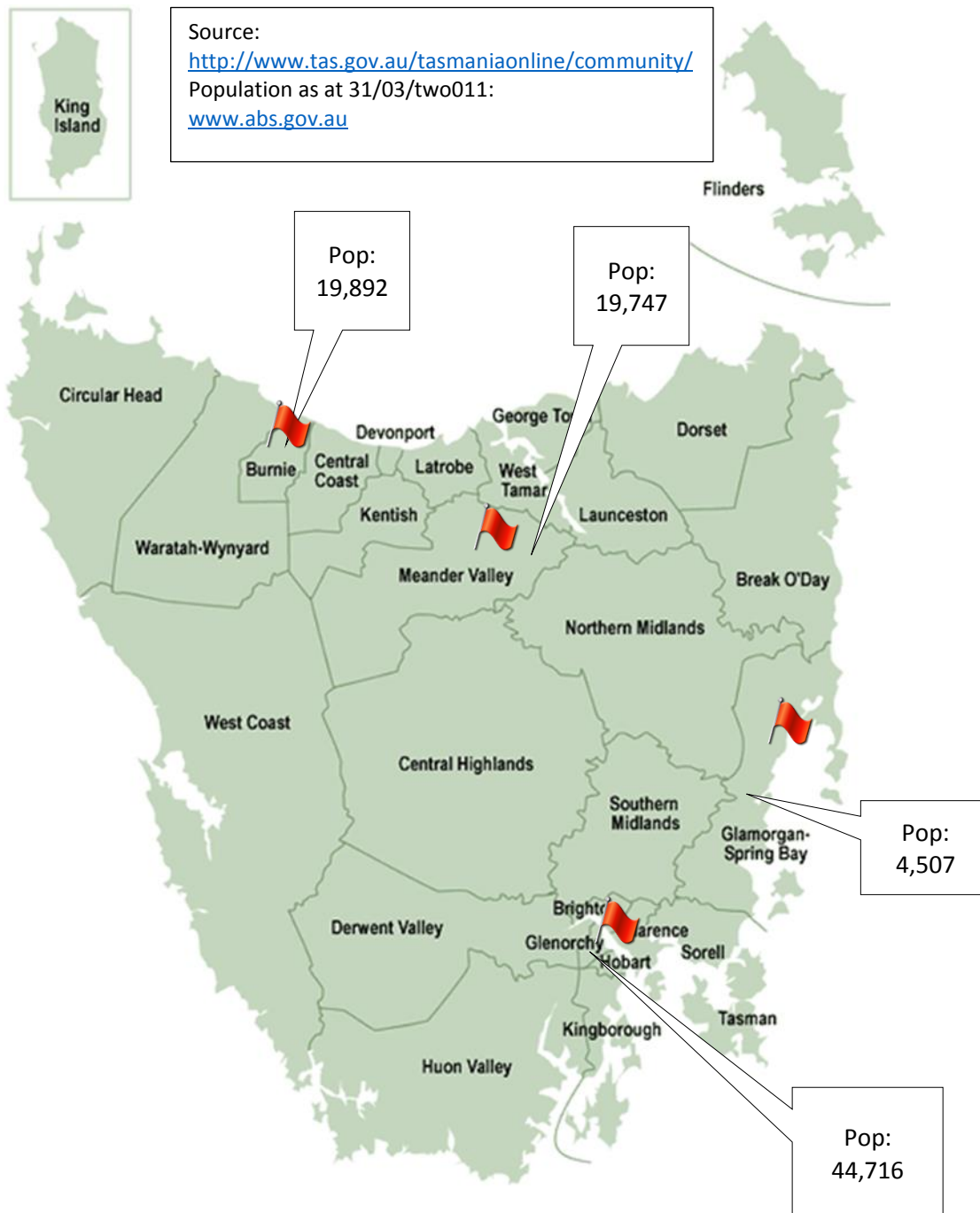
	Area km ²	Population	Median age	Main employing industry	Average wage	*Number of Councillors
Burnie City Council	6.109	20,148	38.7	Retail	\$43,707.70	10
Glamorgan-Spring Bay	25.913	4,432	53.6	Tourism / hospitality	\$37,191.70	9
Glenorchy City Council	12.115	45,382	39	Retail	\$41,479.40	10
Meander Valley Council	3.821	19,633	42.9	Retail	\$41,602.70	9

*Local government elections October 2014 – may have changed number of Councillors (elected representatives) after this date.

To finalise case study council selection process, each selected case study was contacted by email with a further invitation for General Managers and/or nominated council Officers and elected

representatives to participate. Invitations were accepted by these councils and each General Manager offered to seek out Elected Representatives and senior administration staff willing to participate in the semi-structured interview process. Figure 1 below represents the geographical location of each of the selected case study councils.

Figure 1



3.4.4 Phase four: local government interviews

A total of eighteen participants from case study councils were interviewed. The researcher intentionally chose participants from different administrative and representational perspectives – four General Managers (CEO level – all male), two senior executive council officers (both male), and four middle management council officers (four female). Eight elected Representatives (civic leaders from different walks of life) were interviewed (four male and four female).

The interview script (see Appendix 4) was developed in part with reference to identified concepts within the literature review, particularly the contemporary role of local government and how participants see the future role of local government, together with knowledge and understanding of local social enterprises. The bulk of the questions in this interview script are an expansion of eSurvey questions so as to validate or challenge responses already received from the eSurvey.

While the interview methodology allowed for the opportunity to ask open-ended questions with an unintended flow-on benefit of observing interviewees and their behavioural cues, it was important to try and maintain standardisation of approach so as to obtain valid responses for all interview situations (Mishler, 1986). Two interviews were conducted by phone, and one by SKYPE and the remainder were face-to-face interviews and all recorded with the express permission of all interviewees. In the situation of three face-to-face interviews of Elected Representatives, these were conducted in pairs so as to accommodate time and availability constraints for these participants. This situation encouraged exchange of ideas, but also generated ad hoc discussion outside research questions, which increased interview time considerably.

The following interview extract demonstrates a slight digression of interviewee conversation, which highlighted the focus of interviewee thoughts at the time, and also how the interviewee connected these thoughts to the questions being asked:

Another small initiative undertaken by this council is a project called 'Passport' based on children/youth needs in the area, where the participants keep a record of all their achievements throughout their school life into their working life so as to build a personal profile on life and work skills. This information is fed into a training program for youth mentoring provided by council. This initiative is solely funded by council, but is not a 'product' sold by council.

This example demonstrates that the researcher was aware of a switch of power between researcher and interviewee in participant deviation from the purpose of the interview, from time to time. This example also emphasises what Denzin and Lincoln (2011: 14) have highlighted: ... qualitative research is endlessly creative and interpretive. Which for this study, allowed for rich descriptions from each participant's point of view, and which also added to the complete story.

Each interview was transcribed separately and verbatim by the researcher in preparation for coding and analysis. Transcription has allowed for analysis of institutional talk and participant responses, in particular to review the language or discourse and make meaning of ideas about the participants' social/situated reality (Silverman, 2006). Each interview was documented separately with insightful post-interview field notes, together with a summary of each transcription, a strategy which allowed for personal reflection by the researcher on each interview (Guba and Lincoln, 1994, Babbie, 1999).

3.4.5 Phase five: desktop review of council case study documents and relevant ABS statistics

An online review of all Minutes of General Council Meetings for all selected case studies over a period of 12 months (January 2014 – December 2014) was undertaken to determine the type and extent of community development activities and social policy planning. All relevant Community Strategic Plans and other related documents were reviewed on council websites. This review was undertaken after completion of case study council interviews and was guided specifically by interview responses regarding the use of social clauses in council policies, for example social inclusion and social procurement.

3.4.6 Phase six: social enterprise case study selection

Case study councils nominated a total of thirty two local social enterprises presenting a varied selection of social enterprises. For example annual festivals, information centres, co-operatives, aged care facilities, film societies, farmers' markets, a community newspaper, a Community House, disability services, childcare facilities, an award-winning rhododendron garden and plant museum, and the Bendigo Bank. It was identified that not all nominated social enterprises

engage with case study councils, and it is important to emphasise that the study design specifically sought to include social enterprises identified as engaging with local government.

In this phase, each of the thirty two social enterprises were analysed with reference to typologies (for example hybrid, community enterprise, mutuals, charitable business ventures, community enterprises, and Australian disability enterprises) as determined by Social Traders (2014). A matrix (see Appendix 5) was developed which mapped each social enterprise to a related municipal area, and presented characteristics of each enterprise, and relationship with local council. Social enterprise typology, characteristics and relationship with local council is the primary determinant for the selection of eight cases out of thirty two (two per council).

Characteristics of the thirty two social enterprises identified business models, nature of community engagement and motivations of the social enterprise, for example employment, training and support for marginalised groups. Characteristics also identified that each of the nominated social enterprises generate profit to fulfil social mission. To ensure a good representation per municipal area of social enterprises (two per council), characteristics identified in Appendix 4 further informed the final selection. While the nominated thirty two social enterprises presented a diverse range of characteristics, 3.4.6 Table 1 presents the final selection of six typical examples where enterprises operate like a business, producing goods and services for the market, and two other social enterprises considered to be low fliers or soft examples that rely on financial support from the community to achieve social mission. The final selection of these eight social enterprise case studies was also dependent upon knowledge by local government case studies of these social enterprises.

3.4.6 Table 1: Selected social enterprise case studies

Council	Social Enterprise and aims	Typology
Glamorgan-Spring Bay	Bicheno Health & Resource Centre Initiated by council to meet local community primary health needs.	Cooperative, Association, Mutual
	Orford Odeon Initiated by local High School in collaboration with council to build local socio-economic capital.	Community Enterprise

Burnie City Council	Burnie Community House & Market Garden Initiated by council, operates autonomously from council, and does not have support funding from council. This enterprise has established three local social enterprises to build social capacity and local socio-economic capital.	Hybrid Enterprise
	Emu Valley Rhododendron Gardens Operates autonomously from local council, but has a formal funding relationship with the council. Builds social capacity and local socio-economic capital.	Community Enterprise
Glenorchy City Council	Aurora Disability Services Totally autonomous from council, but premises provided by council at reduced rate. Provides training and support for disabled workers.	Australian Disability Enterprise Hybrid Enterprise
	GASP Proposed social enterprise to be established by council, to provide employment opportunities for unemployed youth.	Community Enterprise
Meander Valley Council	StudioBE Established with mentoring assistance from council, now operates independently. Builds local social capacity.	Community Enterprise
	Western Tiers Film Society Established by community and operates independently of local council. Builds socio-economic capital.	Community Enterprise

3.4.7 Phase seven: social enterprise interviews

Each selected social enterprise was invited by email to participate and these were accepted by CEOs, managers of these enterprises, or Chairpersons of social enterprise management committees. Interviews were conducted with one CEO (female), two managers (one female and one male), and five Chairpersons (two female and three male). As with the local government councils, semi-structured personal interviews were chosen to investigate knowledge of social enterprise relationships with selected local government councils. Again, as with local government case study interviews, semi-structured interviews with open-ended questions were used, allowing for probing, expansion of questions and encouragement of conversation to obtain a greater amount of respondent data.

Some questions within the interview script for selected social enterprise case studies were similar to questions in the local government questionnaire relating to social enterprise relationships with local government. The remainder of the script queried how social enterprises see themselves, their functions and governance models. However, the overall scope of the questionnaire focused primarily on enterprise social mission, governance model, relationships with local councils and other associated bodies, and value creation for local communities (see Appendix 6).

All interviews were conducted face to face by the researcher with social enterprises and recorded with the express permission of interviewees. Again, each interview was documented, followed by the development of researcher post-interview field notes and summary of actual interviews. Similar to the interview situation with case study councils, not all participants could be interviewed on an individual basis, and in two instances two interviewees participated in a combined interview process. Similarly to case study council interviews, the combined interviews encouraged exchange of ideas between participants, and also generated ad hoc discussion outside research questions, which increased interview time considerably. Transcription of interview data was done personally and verbatim by the researcher.

3.5 DATA ANALYSIS

In preparation for the analysis of data, the researcher undertook manual transcription of interviews (a total of 128,016 words), with each interview summarised in post-interview field notes to create an intimacy with the material so as to determine its content and salience and identify preliminary connections.

The next stage of this process was to decide upon the parameters of the analysis, key concepts and coding categories (Saldana, 2009). As referred to by Walter (2010) the decision about key concepts was made in part based on predefined sets of concepts and categories. The content of transcription data was initially grouped according to interview questions. Given the variety of and sometimes ambiguous nature of the transcription data content in the primary groups, information (phrases and words) was then distinguished and even translated according to its different forms (Gibbs, 2007).

To assist with this process, the researcher developed a mind-map of emerging concepts as the first phase of meaning-making (Burgess-Allen and Owen-Smith, 2010). Analysis of this mind-map

was the first step in identifying meaningful concepts that correlated with meaningful segments within transcriptions. Through reflections on this data, notations were made making mind map connections between what had been said and identifying groups of themes that were beginning to emerge.

This inductive process as referred to by Saldana (2009), or manual identification of emerging themes related to general statements about the topic of the study. These themes were then evaluated for plausibility in creating a classification system or categories that captured the reality of the data. Themes were further sorted into sub-categories in a table format for ease of evaluation, allowing the researcher to identify those that stood alone and those that overlapped with other categories. To ensure accuracy and identify discrepancies, interpretation of this data was rechecked against transcriptions frequently. Themes were then manually coded according to frequency of specific themes, into groupings of themes.

Some themes emerged early within the analysis, for example the future of local government, and its roles and responsibilities. Common themes identified within each case study were colour-coded to determine occurring patterns. Following this, each of these patterns was then conceptually organised under brief statements/descriptions to differentiate each group/cluster and identify related characteristics and underlying construct (Schwandt, 2000, Harris and Jiminez, 2001).

The following is an extract of the coding process undertaken on a page of transcript:

I think the role of local government will change¹... I think, particularly in Tasmania there will be, be less local government ... , I not sure around the timeframes for that ... but there will be more regional focuses in local government¹, and the role of local government having previously been rates and rubbish and roads will change and I think more of the Federal Government partnershiping ... partnerships with local government ... and there may even be as there are in other States a role in Tasmania for local government around health provision^{1.1} and I think community capacity building² activities will be very critical looking at some of the social aspects of our community and in particular disadvantaged ... there will be a role of local government in that in the future ¹ and also I think around ... developing networks and ... small business and economic development³ will be a greater role of local government.

Coding legend:

1: future role of local government; 1.1: health (a future role for local government); 2: community development and 3: economic development (current and future roles for local government).

The same colour was used for coding different material repeatedly throughout the text to guarantee consistency and reliability of coding.

The completion of the coding process identified what trends and patterns were evident within themes, with theme headings or groupings of themes emerging to fit the theoretical framework of the study as identified in Chapter 4: Findings. These groupings of themes were re-examined to ensure that unwanted material was not included and that there was no loss of nuanced detail. Boyatzis (1998) suggested a process for transforming qualitative information by developing themes as a way of perceiving patterns or a theme in seemingly random information. It was the perception of patterns which began the process of thematic analysis, followed by the next step of interpreting that pattern. Identified patterns were further analysed and interpreted as a way of making sense of data, and as Harris and Jiminez (2001: 80) explain: We view interpretation as convergent space within the research process, where the researcher, theory, participants, and data come together.

This initial interpretation process led to the development of clusters of higher level conceptual categories that were mutually exclusive and congruent with the research process, thereby allowing a more in-depth constructivism process (Burns, 2000). Willis also told us in Walter (2010) that once we explore how codes fit together into categories, this establishes the groupings of themes which fit the profile of this study.

3.6 SIGNIFICANCE OF STUDY

The focus of this study is the potential value of the relationship between local government and social enterprises. This is significant to both local government and social enterprises because results of this study will contribute to local government practitioners' understanding of the changing role of local government, including the challenges of government reform to meet unique and contemporary needs of local communities. Results will also inform community development stakeholders and practitioners, and contribute knowledge relevant to theoretical underpinnings of community engagement and community development. Results will also increase knowledge

of the social enterprise concept and this entity's activities, in particular its contribution to local socio-economic value. What is more, further research could arguably extend on the current body of knowledge and results on relationships between local government and social enterprises.

The researcher's aim is to answer the research question about local government and social enterprises, primarily: *what is the value proposition of this relationship?* The use of case study methodology plays a significant role in representing the real-life view of participants, allowing them to tell their story in their own words to create a case-study product. Case studies have connected content and context within this research by moving towards a research agenda that seeks to inform local government and social enterprises of trends and opportunities for sector engagement and development through academic research.

The research approach and methodology for this study enabled for the research questions to be answered. The choice of qualitative and quantitative approaches, case study methodology and constructivist ontology in this study is justified because they were the framework providing the key to the processes of gathering and interpreting evidence and constructing a narrative around the nature and extent of relationships between local government and social enterprises in Tasmania.

CHAPTER 4: FINDINGS

This study focuses on two development actors within community - local government and social enterprises. Chapter two emphasises the nature, extent and purpose of relationships between these entities in specific local contexts. Chapter three (Methodology) highlights a systematic qualitative approach grounded in a case study methodology

Chapter four is divided into three sections: 4.1 *Findings through the Lens of Local Government*, 4.2 *Findings through the Lens of Social Enterprises*, and 4.3 *Summary* of the first two sections of this chapter. Each section presents the findings of local government and social enterprises as groundwork for a discussion in Chapter five of the contemporary role of local government and how it engages with community, and the development role of social enterprises within community to achieve enterprise social mission. These sections also present findings on the elements and dynamics of existing relationships between local government and social enterprises.

4.1: FINDINGS THROUGH THE LENS OF LOCAL GOVERNMENT

The purpose of this chapter is to identify examples of collaborations or relationships between local government and local social enterprises in Tasmania and present findings about the extent, nature and purpose of those collaborations or relationships. Each case study council has been coded, for example C1, to maintain anonymity of participants. Chapter two canvassed the common role of each entity within community, which raises the question: why, given similarities between local government and social enterprises, there is not more of a well-developed set of relations?

Findings through the lens of local government will also make contribution to answering the question: *What challenges and trends are shaping the current and future role of local government in Tasmania?*; and will partially answer the question *What is the nature of existing relationships between local government and social enterprises in Tasmania?* These questions provide the opportunity to look at how current challenges play out in the context of local government in Tasmania, and how case study councils deal with these challenges, in particular the push for reform of local government. Reform of local government is canvassed in literature which identifies that local governments globally need to reconsider the way they organise themselves and deliver services. (Pritchard and McManus, 2000, Department for Communities and Local

Government, 2006, Pillora and McKinlay, 2011, CEMR, 2011, Evans et al., 2012, Aulich et al., 2012, Bradford and Kerr, 2012, Dollery, 2014). Literature also identifies that Tasmania is not an exception and attests to this push for reform by other levels of government and citizens of local communities (Munro et al., 2005, Local Government Association of Tasmania and Tasmanian State Government, 2014).

The findings of this chapter will contribute to knowledge about local government and social enterprises, in particular how case study councils in Tasmania see themselves and their relationship with community. To achieve this, interview transcription data was coded and grouped according to frequency and patterns and then collated into five groupings of themes:

1. Roles, responsibilities and relevance of local government
2. Community engagement and community development
3. Knowledge of and relationships with social enterprises
4. Social investment and value creation
5. Terrain for future collaboration

A snapshot view of the five groupings of themes is presented as follows:

Roles, responsibilities and relevance of local government: Responses highlight the changing role of local government, in particular the push for better community engagement and for local government to have a stronger role in community, social and economic development. Respondents inform us in their own words that local government is the tier of government closest to the people which positions councils with an ear to the community. In this context, responses demonstrate that the strength of local government is its closeness and connection to local community, which respondents emphasise has the capacity to understand and respond to what is happening within its communities, locally. Case study councils consider that their role is very much that of advocacy for the people and stewardship of their defined municipal area. Findings also identified that councils should be wary of becoming insular in this role, and engage with community to be more informed of local community needs. Transcription data also identifies the continual balancing act between community needs and citizen expectations and the resources available to local government from funding streams to meet these needs. Elected representatives and council officers raised concerns that this situation could result in the need for a reduction in service levels, a situation further exacerbated by devolution of social responsibilities from other levels of government. Interviewees identified that local government is underestimated for what

it delivers in community. However, responses demonstrate that the emerging and contemporary role of local government is underpinned by the need for councils to become drivers for local socio-economic development.

Another grouping of themes, *Community Engagement and Community Development* is identified by case study councils as a combined mechanism and a process for councils to build sustainability, health and well-being within community. Findings relate that case study councils view community within the parameters of place and space, as this is where local government [within its defined municipal boundaries] conducts its business, and makes its financial and social investments. Interview data reveals that the local government perspective of community is constrained to local government municipal areas. This highlights case study councils' limited perception of community and understanding of a sense of place. Broader discussion during interviews around these concepts however, reveals participant understanding from the perspective of Case study councils' strategic planning to identify place-shaping mechanisms and initiatives they consider build community capacity. Interviewees emphasise the governance and stewardship role of local government, in particular as an agent of place, and facilitator of community development. However, there is little acknowledgement in the findings by case study councils of other actors participating in local community development, for instance social enterprises,

Knowledge of and relationships with social enterprises presents the perception that most council respondents have a good knowledge of the social enterprise concept. Despite this, findings clearly demonstrate most respondents have low level knowledge and understanding of the social enterprise concept. Interpretations of the social enterprise concept across the four council case studies range from the *pure* social enterprise status [wholly self-sustainable enterprises] to brass bands and not-for-profits. What is more, most respondents [elected representatives and council officers] are unable to explain or describe the full nature of these local social enterprises. However, there is evidence in the responses of two case study councils establishing local social enterprises in response to local social problems. What is more, it is also evident that some case study councils support local social enterprises through mentoring, in-kind support and financial grants. Nevertheless, some elected representatives and council officers consider that any collaborations or relationships between themselves and social enterprises should be at arm's length from their council, and that it is not a role or responsibility of councils to go beyond this

point in the relationship. What is more, some case study council respondents express frustration at the high expectation of some social enterprises for funding support from councils.

Social investment and *value creation* are two themes that are related to the relationship local government has with its community, for example social enterprises. However, respondents required more in-depth explanation of the concept of social investment so as to determine the role case study councils play in this area. Findings emphasise a reluctance by some elected representatives and council officers in broadening their social investment responsibilities and initiatives beyond community grants, in-kind support and mentoring. However, it is evident from the responses that all council case studies have taken on the responsibility of investing in and supporting what they termed not-for-profits in the past. Transcription data also identifies that the value of this social investment has not been measured, nor is it fully understood by case study councils. Some elected representatives identify a significant issue for their councils surrounding social value because of the difficulty in equating social value with traditional asset [economic] value. In this context, elected representatives emphasise that economic value underpins the governance role of local government. Transcription data suggests that social investment by case study councils has not been considered in terms of developing specific policies that support social investment.

Local government's terrain for collaboration links the previous groupings of themes to the possibility of local government broadening its community engagement arena and community engagement mechanisms to solve local social issues. Chapter two identifies that collaboration for local government is determined and even constrained by several factors. These include the highly regulated mandated role and responsibilities of local government, shrinking of financial resources balanced against financial priorities, and concerns about economic return on social investment. It is evident from the findings that these factors impact both on case study councils' collaborations or relationships with community, and how local government engages with community and to what purpose.

Responses identify that collaborations between case study councils and social enterprises are so far determined by councils' willingness to resource social enterprise needs on councils' terms only. Responses also highlight that most councils are not keen on social investment initiatives, such as social procurement, because of a need to weigh up financial return on investment rather than social return on investment. However, elected representatives and council officers acknowledge

a need for a broader focus of their role towards balancing components of both economic development and community/social development. And in this regard, case study council respondents also identify that their councils lack policies to include social clauses that encourage future collaborative relationships with community development organisations such as social enterprises. Findings suggest that such policies do not fit with current strategic planning or the business model of these council case studies.

Even though case study councils are aware of a need to better connect with community to find out where communities see their future, the concept of greater relations or relationships with social enterprises has not been of significant consideration so far. Again transcription data identifies that local government is unaware of the potential or true value of the role a relationship between itself and social enterprises can create, particularly in local economic and community development. The following section expands on the groupings of themes in response to case study council interview questions to understand the contemporary role of local government in Tasmania.

4.1.1 Roles, responsibilities and relevance of local government councils in Tasmania

The role of local government into the future is the first question asked of case study councils. Several case study respondents emphasise the importance of local government. However, C1 elected representative raised a valid point about the role of local government in Tasmania with reference to the local government Act, and said:

The overall role of local government is defined in the Local Government Act and unless State Government introduce major reform this is unlikely to change.

Findings highlight the traditional focus of local government on roads, rates and rubbish. And in this regard emphasis is placed on citizen expectations for efficiency and value for money in service provision. And some senior case study council officers have repositioned these traditional services as an opportunity for out-sourcing, for example C1 council officer suggested:

... not so much the roads, rates and rubbish, because I think most of that will get, most of that will get outsourced ...

Another C1 council officer expressed this in terms of an emerging trend:

I consider there is a trend in the traditional roads, rates and rubbish stuff ... being streamlined, and much less of an issue for councillors.

However, C2 senior council officer made reference to the need for local government to maintain overall stewardship because local government is local, and said:

]I] think the connection between local government and having a role of stewardship in this community is really important, and I think that will continue to drive where local government goes ...

All case study councils clearly demonstrate understanding of challenges and emerging trends for local government, including the pressure on local government to now show some signs of reform, which as C4 elected representative emphasised:

... whether it be mergers or amalgamations or resource sharing or something, something needs to happen.

Despite the identified challenges of citizen expectations and the push for reform, responses reinforce the perception of all case study councils that the role of local government is important to community, and several councils make the point that local government is the tier of government closest to the people. C1 senior council officer expressed this in regard to elected representatives:

[T]hey are the politicians with the ear to the community ...

Case study councils clearly acknowledge that the democratic role of local government is designed to service local communities and incorporate governance mechanisms that reflect responsible civic leadership. Findings also identify that civic leadership has been demonstrated by case study councils by positioning stewardship, the purposeful management by councils of a jurisdictional or municipal area, as a visible role for local government. In this context, C2 elected representative emphasised the importance of the role of stewardship, particularly how it relates to the people and local community, and said:

... I think the people ... like having a local government ... that provides stewardship on the ground ... it's connected, and ... it has a capacity to understand what is happening within their community ... I think we're becoming a lot more sophisticated or have a capacity to be a lot more sophisticated in our thinking around good financial decision-

making and being efficient with our resources ... and technology now as it happens through asset management and accounting systems and GIS systems ... and all that. So, you can actually become more efficient in the operation which enables you, then as an organisation to be able to understand ... where your community needs are ... so ... it doesn't become a cost burden necessarily onto the ratepayers into addition to what they would otherwise pay, because you can make efficiencies and savings elsewhere.

C3 senior council officer also made connections between stewardship in community and the important role of advocacy, and pointed out that:

[W]e should have an advocacy role, and an advocacy role can branch from basically knocking on the Minister's door at either State or Federal government level saying: Listen, we have done this work, this is our Community Plan, these are the facts and figures in relation to the needs of our local community, we are here advocating on behalf of our community ... we are here advocating on behalf of our community ... can you make sure that your agency fixes that up because obviously there's ... I believe very strongly both of State and Federal Government ... particularly the agencies have really no idea what the issues are at a community level. They are pretty good at higher levels, but they don't have that connection to the local community and it's where we have our strengths ...

Despite this view of the importance of stewardship by local government, C2 elected representative conceded that local government can become really insular in its thinking around stewardship.

Another challenge for local government which is acknowledged by case study councils is the legislative mandate for accountability in public office, together with citizen expectations for financial efficiency or better quality services. This overall financial responsibility is explained by C3 elected representative as:

... our communities are ... have got high expectation of how we run our councils, how we run financial management and those sorts of things ... so, governance has gotto [sic] improve, so, there is no doubt about it ... the Corporation Act governs how, how we do things in relation to the corporate sector ... we have an Act called the Local Government Act ... but, it doesn't really get down to the nitty gritty except for some things we are meant to do and some fines they're recording. Doesn't really spell out the real clear ... I think objectives of elected member. So, from my point of view, I see

local government will be much wider, we'll take on lot more responsibilities that from other tiers of government ... and, it will be operating like a corporation.

What is more, case study council officers demonstrated concern regarding the increasing financial pressures of local government, and that funding streams of local government are contracting. While the source of these pressures is not identified in transcription data, C1 senior council officer identified possible implications as:

[T]here is evidence from abroad that with the contractions in funding streams local government has need to significantly reduce resource to meet these needs or engage in volunteer programs using the community to provide some of these services. Using this as a base as community expectations and their needs increase local government may need to look at more areas where volunteers can be used to meet these expectations, using the principle that it takes a community to raise a child. The essence of the approach would be that the role of local government will remain a custodian of community assets and provider of essentials services, however maybe more of an enabler when it comes to providing some less critical services that a modern community expect.

This concern is raised in interviews in terms of local economic development and who should be the driver of this role. However, one small council proposed that community should be part of the process in addressing local economic issues, for example, C4 senior council officer proposed:

[I] think Economic Development in a small rural council is the responsibility of everybody! So, you know, we work with the Chamber of Commerce for instance ... they might only have 20 members, but you know we class them as a vehicle and we all need to be on the same page when we go to the State Government ... So, ah, Economic Development is important to the whole social atmosphere of the town ...

All levels of case study council officers supported this view and acknowledged the pressure for local government to facilitate stronger connections between themselves, local business, government organisations and community associations to address major social and economic issues. In this context C2 council officer suggested that engaging particular segments of the community to become one voice of advocacy for local economic development could be a local solution to local problems

Another key driver for changing the role of government which is acknowledged by case study councils is expectations by citizens and other levels of government for local government to take on significantly wider roles incorporating social responsibilities within community. For example, interviews presented varying perspectives [elected representatives and council officers] on the influence of community expectations on the role of local government:

C1 [senior council officer]: [I] think the role of local government in the future will be around ... I think it will be more around the place-based ... community and economic development ... and that's where I think things like collective impact where council can be involved ... because we can drive ... we are facilitating that sort of collective approach to community development and economic development. Responses indicate that local government is no longer entrenched in traditional governance model and delivering services because the expectations of communities and citizens have changed also ... [And] [I] think we will be picking up more of the social aspects of, of governance in the future because we are, are the level of government closest to the people, and I think that demand is now starting and will ... will only ever increase in the future.

C2[council officer]: ... communities are expecting local government to fill in any of the gaps that are left by State and Federal government as they change the way they do things ... I think it's certainly gonna [sic] to expand ... [and] it seems to me that Federal are looking to fund local government more directly and bypass State government. So, I think that we are gonna [sic] have to learn to deal with that stuff to do things more efficiently and be more productive. [And] ... certainly people have fairly high expectations of council playing a role in health and wellbeing ... the community health and wellbeing, ah ... the economic wellbeing if you like ... economic viability ... so communities do expect councils to play all those roles, ... not just, you know, we often quote the roads, rates and rubbish as being the old way of doing things and you know, councils have moved on from there for a long time ... so ... certainly more towards people and community expectations have moved as well ...

C3 [elected representative]: ... So, from my point of view, I see local government will be much wider, we'll take on lot more responsibilities than from other tiers of government ... and, it will be operating like a corporation. I see local government in the future will follow very much a corporate flow ... like a company. That's the way I believe local government will be going in the future. And, this is primed very much because our communities have got high expectation of how we run our councils, how

we run financial management and those sorts of things, so governance has got to improve.

C4 [council officer]: [I] think the focus of local government has been on roads, rates and rubbish has transformed significantly and will continue to do so in terms of building community capacity... and also I think local government is increasingly going to be having a much stronger role in community, social and economic development. [And] [I] guess our focus is more on traditional local government, but it doesn't mean we don't play in the social space and community space from time to time.

Similarly, expectations from other levels of government are explained by C1 elected representative as:

... there will be more regional focuses in local government, and the role of local government having previously been rates and rubbish and roads will change and I think more of the Federal Government partnershiping ... partnerships with local government ... and there may even be as there are in other States a role in Tasmania for local government around health provision ... and I think community capacity building activities will be very critical looking at some of the social aspects of our community and in particular disadvantaged ... there will be a role of local government in that in the future and also I think around ... developing networks and ... small business and economic development will be a greater role of local government.

These examples demonstrate the pressure for local government to become more relevant for citizens within community by meeting emerging social needs. What is more, case study councils are also aware that on one hand they are expected to maintain service delivery levels, and on the other to play an increasing role in social health and well-being of community. C4 council officer related this positioning and commented:

... for a long time like health care has been ... and doctors ... has always been as a government responsibility, but from pressure within the community ... that pressure's been placed on council when they haven't had doctors, so, eventually the council needs to ... you know, they take notice of that, and then in our instance, council's actually taken the initiative by getting doctors into the area ... so I think it's come from the community itself through pressure on the councillors and, and who the particular councillors are at the time when they see a particular need.

Transcription data identifies that this is an isolated example of a council stepping in to provide primary health care services, and it also demonstrates that citizen expectations are the driver for C4 to provide local solutions to local problems. Despite this emerging role for local government to address increasing local social needs within local communities, C3 elected representative expressed this as something of a dilemma and said:

... I also think ... I'm still confused at social responsibilities creeping back in again from many corners. And, I hope that councils can use that term sometimes too ... that we have a social responsibility to sort of ... actually do some things for community ... not for nothing ...

This evolving role of local government is also presented from the perspective C2 elected representative, capturing the challenge for change faced by local government:

... Councils are changing ... that's moving from services to people ... so we still have to maintain the services ... but certainly people have fairly high expectations of council playing a role in health and wellbeing ... the community health and wellbeing, ... the economic wellbeing if you like ... economic viability ... so communities do expect councils to play all those roles... not just, you know, we often quote the roads, rates and rubbish as being the old way of doing things and you know, councils have moved on from there for a long time ... so ... certainly more towards people and community expectations have moved as well.

Furthermore, a broader perspective is presented by C1 elected representative on the need for change in local government:

... people in all the communities in Tasmania don't see lines on maps ... it's really the elected representatives that see those ...

Despite these challenges, C2 senior council officer stressed the importance of local government and said:

[S]o, I see local government as an extremely important sphere of government, I think it is a sphere of government that is seriously underestimated for what it delivers for its community.

Overall, the findings from the interviews support the understanding of case study councils that on one hand local government is mandated to provide good governance and effective and efficient service delivery, and on the other is expected to meet emerging local socio-economic needs. However, it is evident from the interviews that some case study council respondents do not have clear direction for meeting these challenges for changing the role of local government. Despite this, there is evidence of case study councils' acknowledgement that better community engagement may support the changing role of local government to meet local health and well-being needs in Tasmania.

4.1.2 Community engagement and community development

Findings emphasise that community engagement and community development are significant roles for local government. Interviews identify that case study councils understand community engagement as a mechanism to achieve community development outcomes. Interviews also identify that case study councils use a variety of community engagement mechanisms to deliver services and support community development initiatives. Community engagement and community development are explained in this section in terms of how local government saw and addressed the needs of local community.

It is evident that case study councils acknowledge increasing citizen expectations for greater input into building community capacity for the future. For example as C2 senior council officer identified, it has become imperative for local government to understand what communities [citizens] want for their future, and to take on a support role to guide community in this process, and said:

... the general consensus is that councils will play a greater role in ... building strength and resilience in communities ... and helping them, guide their own future or helping them go through the process of thinking about what they would like to be doing in the future ... and helping them take an initiative in doing so. So, probably less about where council sees the future going as council finding out where communities sort of see the future ...

Interviews identify that community engagement by case study councils also involves building knowledge of what community [organisations] are actually doing, and how the activities of these organisations positively influence social health and well-being that build community capacity. For

example, C1 senior council officer acknowledges the importance of community-driven activities to meet the needs of its community and said:

[W]ell, it's all the activities that are actually happening and all the different community organisations ... and that doesn't come from council, that comes from outside council, from the people themselves ... so that's their social aspect in realising their sense of place ... and it's very important to them ... it'll never go away whatever happens in the future ... you're still gonna [sic] have these small organisations because that's how people get on with one another, that's how people meet other people through all these variety of organisations.

Similarly C2 council officer also emphasised the importance for councils to have knowledge of community, and to use community engagement as a mechanism to capture people's feedback to determine what citizens want in their community, and explained this as:

... having a culture within an organisation in local government where not only the councillors, but the staff understand that relationship with their community .. [and] to understand why it's important to have a conversation with the community ... and what that conversation might mean ... and that's actually people making this a destination ... and actually plays a role in the town y'know [sic]?

Further to this, C3 elected representative emphasised the importance of having good knowledge of community that reflects the capacity of individuals within communities, and the contribution of that local knowledge, skills and expertise to community development outcomes. C3 elected representative explains this as:

... we need to take advantage of some of the skills and the experience and knowledge that's already in the community ... I think often you ... if you have access to that ... then you can reach your sort of [unclear] stage of the project much sooner, and you can reduce the time that you're, you're wasting ... or you can in another way of looking at it ... be more productive ... and selective about the projects that you take on ... and so you're using your time and resources better ... and it's quite amazing ... when you start to talk with some of the people that we have in our community ... the skill sets that are there ... it just, it'll just blow you away ...

These examples demonstrate that councils recognise the importance of knowledge of community, and that this is an opportunity for collaboration and community participation in local community

development. For example, C2 council officer took on the role of facilitating collaboration between local business members and community to form an economic development group. C2 council officer went on to identify that the purpose of this collaboration is to engage local stakeholders in local economic development to improve the local economy, and to provide its council with a network resource to deliver better community development outcomes. C2 council officer outlined this strategy as:

... the first is ... we have limited resources in economic development ... we can see that there's so many opportunities ... but in a year there's so few things that you can really get stuck into ... and so that's one thing ... it's to increase the resources that we have available to us ... the second thing ... well, maybe there's three things ... the second thing ... that we could deliver things better ... that the outcomes could be better and a way to do that is to engage with community and business from the outset and work alongside them rather for us to do a project in isolation and then deliver it to them and expect them to just embrace it. The third thing is to take advantage of some of the skills and the experience and knowledge that's already in the community ... and if you have access to that ... then you can reach your sort of [unclear] stage of the project much sooner, and you can reduce the time that you're wasting ... or you can in another way of looking at it ... be more productive ... and selective about the projects that you take on ... and so you're, you're using your time and resources better ...

C1 council officer presented another perspective for building community capacity through networks within community to solve local problems, which was referred to as collective impact, and explained as:

... a framework of cross-sectoral, collaboration so business, non-government, government, and the various human services areas working together to address major social issues ... it's an approach from the United States that's starting to show some real promise and very much based around outcomes rather than outputs

These community engagement examples by C1 and C2 demonstrate an intentional engagement process by case study councils with the local community to solve local socio-economic issues. However, interviews do not identify the outcomes of these collaborative initiatives. C1 senior council officer presented a further community engagement example from a sense of place perspective as:

... the fact of the knowledge and the capacity that people have in local communities about what their needs are ... and how, and how they work well together ... and that sense of pride and community involvement about wanting to get people who aren't necessarily elected representatives, in elected roles ... but, more community-driven empowerment and ... creating change through social capital. It, definitely the word is 'location' ... and it's what, what people are wanting in their small area ...

However, C2 elected representatives and council officers present differing perspectives of a sense of place, and said:

Senior council officer: ... basically, I see it as the connection that a person has to where they live ... I don't know there's necessarily a boundary ... I don't know whether it's a township, or district, or a catchment area ... or whatever ... it's just ... it's that emotional and ... connection that somebody has to where they live and participate ..., you know, can be of various different sizes ... and ... I think we all as Tasmanians have a sense of place to Tasmania ... most of the time ... and that's our thinking ... but at some point, you change that sense of place to the ... your day-to-day activities ... so, today it might be ... you're running the C2 (township 2) Show ... so your sense of place is about C2 (township 2), or I was at a reunion for a family that had a lot to do with the establishment and development of C2 (township 3) on the weekend ... people came from all around Australia ... and they spoke about 'a paddock' or an area that has always been a retreat for people, and they'd go there ... so, at that point in time, their sense of place was a really specific location ... for lots of good reasons, because ... it was a place that people could engage and connected with ...

Elected representative: [T]o me, it's the history and the geography ... as well as the people ... [and] we would obviously be a hidden treasure at the bottom of the world wouldn't we?

Elected representative: ... I've always found that term a little kind of vague ... I think it is a poorer term than sense of community ... I mean [C2 township1] is famous for its sense of community ... and when I moved there it was talked about by the people who lived there as 'we have a really strong community' which means people interact, they help each other, they do things, they set up things, they are active in their community, they look after each other ... and then you get a sense of belonging to that place because you are identifying with the people in it ... whereas, when you say just sense of place, I think that leaves out the people component or it is in fact that's what ... gives you a sense of belonging to a place, is your relationships with the people there ...

Findings also identify that some municipal areas comprise several small towns, and each of these towns has their own identity and each has a more village-specific sense of place rather than the broader municipal or local government sense of place. In this context, C4 elected representative presented a perception of an element of parochialism between towns, and said:

... there's always greater needs by some people ... or greater expectations, I will put it that way, than we can deliver ... sometimes there's a breakdown with regard to that ... we have a lot of town versus town ... like, you know, we operate in one town, and they say well you are not doing work in another town ...

Similarly, C1 council officer emphasised the influence of geographic isolation of community where unique socio-economic issues emerge:

... I think because we are isolated and we do have unique problems facing our community, that perhaps they don't have in other areas of regional Australia ... by creating a sense of place and sense of community pride and some empowerment of the community to ... I could refer to [C1 social change project] where we connect with our community as local government facilitators, and facilitated a process ... which was all about a sense of place, about belonging, about empowerment of the community and the community having a vision for its future. And, I think that there's really great public and social value in that because that's what will create social change ...

Interviews highlight that a sense of place is predominantly connected to municipal boundaries because that is where local government revenue is collected and expended. For example, C2 elected representative expressed a view that local government is parochially supportive of a sense of place, in particular that place which is located within its own municipal boundaries, and said:

... our sense of place as local government is predominantly connected around our municipal boundary because that is where we collect our revenue and spend our revenue ... but it also should be, and I think ... from time to time ... waxes and wanes ... comes and goes a bit ... it's to the broader region that we represent ... because we can look at the bigger picture ... or we should be looking at the bigger picture ... particularly the interaction and the impact that ... the bigger ... the bigger area has, that we can have influence around ... has on ... within our boundaries and that the impact we can have from within our boundary on it ... outside our boundaries. So, that sense of place ... I think from time to time ... and different people involved in local government ... would have a different view ... and I think you would get discrepancies

because someone would really be predominantly focused on ... inside my boundary ... is No. 1, and I am parochially supportive of that, and you cross that line and ... no! ... the emotional, and the enemy if you like ...

Interviews identify that all case study councils have felt the pressure from community to build community capacity, to shape place and create a sense of place. Case study councils acknowledged their community development responsibility for shaping place, to use their influence and resources to build safe and prosperous communities. Data further identifies that all councils facilitate community development initiatives and mechanisms such as community funding grants and public arts policies which they consider build strong intrinsic social value. From this perspective C1 council officer related the value of its community development program as:

... that financial assistance schemes that the Council provides to community organisations certainly does enhance public social value.

However, as a C1 senior council officer explained, there is a balancing act between limited financial resources and identified community needs for councils so as to provide community development [financial] support that contributes to a sense of place. C1 said:

Within the parameters of the Act local government bodies do have the power to provide services to meet the needs and expectations of the community. This is and also be a balancing act being the needs and expectations and the resources that are available from the funding streams. There is evidence from abroad that with the contractions in funding streams local government has need to significantly reduce resource to meet these needs or engage in volunteer programs using the community to provide some of these services.

Also, C2 elected representative emphasised that a sense of place is a responsibility of all councils and in this context, said:

[W]ell, I think it's all of us ... , you know ... local government has that role of ... recognising it exists ... and I think, if you don't ... then you're not doing your job ... I think you're elected ... I suspect when people elect you to be a councillor ... , then they're saying ... we think you're capable of representing us, and what we like about this area or actually providing us ... y'know [sic] ... the best guidance in our area ... so, the community puts the council in there to do that ... but it's not a council, local

government's point to ... to say what that sense of place is. I think it's about, about that community engagement ...

Council representatives acknowledged they will play a greater role in building community capacity, and that local government must review its community engagement mechanisms to seek community development and social investment opportunities to build a sense of place. However, case study councils also acknowledged they must build knowledge about what their communities are doing. And in particular, councils must have knowledge about how local community organisations, such as social enterprises, play in the community development domain to build social health and wellbeing.

4.1.3 Knowledge of and relationship with social enterprises

eSurvey findings initially suggested that councils have a good understanding of the concept of social enterprises, but interviews highlight confusion and lack of understanding by some elected representatives and council officers of the social enterprises concept and of local social enterprises. The following transcription demonstrates this confusion during a combined interview with two C1 elected representatives:

Elected representative 1: *[S]o, the C1 Kids and PCYC ... I mean we work with them a bit ...*

Elected representative 2: *... PCYC ... they're not a social enterprise ...*

Elected representative 1: *... So, and the guys have the BBQ like the Rotary Club ... every Saturday morning ... at Harvey Norman ... They get money ...*

Elected representative 2: *[T]hat's really a fundraiser...*

Elected representative 1: *... our bands? The Farmers' Market? Chamber of Commerce ... Lions Club?*

Similarly, these findings reflect a lack of understanding of the social enterprise concept, and for example C1 senior council officer made a connection between a tourism activity, and volunteers and the social investment made by that council to support activity:

[I] guess the Cruise Ship is somewhat of a social enterprise too I suppose from the fact that it whilst we support that with substantial cash, we use a whole range of volunteers to help deliver that.

It was observed by the author that it was necessary to explain the social enterprise concept more fully and provide examples of local social enterprises to support the definition provided prior to interview. In response to this, C1 elected representative suggested child care as part of council core business rather than aligning this enterprise with the social enterprise concept, and said:

... the child care services is part of council's organisational structure, so that's just part of our core funding ... so it's not really set up to be a separate business unit or anything ...

Interview question ... it's run separately isn't it from council?

... but it's not a controlling entity ... not a corporation or like that ...

In contrast, a council officer from C1 presented a different perspective and said:

[Y]eah [sic], well Children's Services I guess could be a form of a social enterprise, even though I suppose from the fact that it is in the control ownership of local government ...

Interviews present other interpretations of social enterprises, for example two council case studies suggested that the local events (annual and bi-annual) which their councils supported, fit the definition of social enterprise. In discussing these events in the context of the social enterprise definition provided, council respondents explained that these events are community generated, and all undertake some form of trading activity to support a social mission and enterprise sustainability. However, it is evident from respondents that some case study councils demonstrate stronger knowledge and understanding of social enterprises and these Councils present a variety of interpretations, for example:

C1 council officer: *[W]ell, I look at it as something that's from the community up, so from, it's the bottom-up approach where the community comes up with an idea, sees a need, does the work and then starts to make money from it to offset any costs or probably not to make a project, but just to offset cost.*

C2 elected representative: *[I] see it as ... it's [an] organisation that operates to make a financial return ... to better ... something ... what it is that they've done, established themselves for ... and that could be... raising money for ah, charities ... aid charities ... or, or about engaging ... young and youthful people ... and trying to ... teach people life skills and all that ... or the like ... but, it's where about you, you get an organisation that needs to generate a commercial return ... that shouldn't be living off government handouts at any level, but where those returns are for the betterment of whatever the purpose that organisation set up for ...*

C3 council officer: *... my understanding of social enterprises is that they are, businesses that have ... that are designed to make a profit and that profit is fed back into , social support of varying kinds ... so, the ... the purpose of their being is to make profit for community good rather than for individual benefit.*

Interviews also present examples of two councils proposing the establishment of council-run social enterprises. C3 council officer detailed the social mission of its proposed enterprise and proposed trading/operational activities, the establishment a local food van to train and employ marginalised youth. Similarly, C4 council officer identified the establishment of two social enterprises – a health centre established to fill a gap in primary health care in a local community, and a small film society established to provide social interaction opportunity for local citizens. However, C4 council officer did not provide any information relating to social mission and/or trading/operational activities. Similarly, a senior officer from C2 discussed a proposal for the establishment of a hard-copy community newspaper when the local commercially-run newspaper withdrew local editorial services. At the time of interview, this had not come to fruition.

Findings highlight examples of elected representatives participating in social enterprise activities. C2 elected representative explained this experience as:

... I've done a little bit of work on social enterprises ... having started one up recently ... oh, a couple of years ago ... a community unincorporated recording studio - called SE7... a social enterprise ... only found out it was a social enterprise after I got it up and running ... or we got it up and running ... and then somebody sent me a survey about

social enterprise, and I read ... oh, that's probably what we are doing ... social enterprise is: an enterprise, as far as I know ... that funds itself through trading but has at its core a social aim ... but whether that is generating income or [unclear] ... to charity, or provide direct social benefit as in training and opportunities that don't otherwise exist within a community ... providing ... services ... or just employment ... you can just provide employment for somebody ... and not have ... investors ... you can have investors though ... you can have people who invest in social enterprises ... they don't demand their returns on investment before ... (laughter) ... the social capital has been reaped ... (laughter) ...

In the same trading context, but from another perspective, C2 elected representative outlined a different experience in the establishment of a social enterprise – the local film society. C2 elected representative identified that this social enterprise sells annual membership, and emphasised the social value of this enterprise and said:

[O]n this, with the Film Society as well ... there's kinda [sic] ... there are a couple of spin-offs ... benefits in that there's a whole lot of people who are now no longer driving from Launceston to Deloraine or Deloraine to Launceston and back ... once a week ... to see a movie ... [and] There's safety issues, every minute spent on the roads is a minute spent in danger ... there's carbon accounting, there's saving people money ... there's a lot of other benefits ... [and] Yeah, keeping people in the community ... they've got an interest ... increasing their social health and well-being.

Contrastingly, a C1 council officer was emphatic that there are no 'true' local social enterprises, and said:

... well, there aren't many social enterprises around that I see as pure social enterprises ... [and] ... one of the definitions for me for social enterprises, it's got to have an entrepreneurial approach. I don't see that there is that real entrepreneurial approach, so it's ... to me a real social enterprise is one that you are working towards, or have got to the point where it is not reliant on external funding ... that its trade activities are producing a sufficient profit to, to make sustainment for the community's social good that it is trying to provide for. So, its things like SE2 are more a ... you know I don't believe they've got ... they could become a social enterprise, but I don't think they are in the social enterprise, pure social enterprise space at this stage.

Despite case study councils not having strong understanding of the social enterprise concept, it is evident that each council does have collaborations or relationships with local social enterprises. Findings explain arrangements between local government and social enterprises in the context of MOUs, rebate arrangements, long-term peppercorn rentals, and the provision of facilities for enterprise use. Another example is where C2 elected representative has established a formal relationship with annual community-run social enterprise/annual events, which is explained as:

... a couple of biggies ... and the C2Fair provides more greater return to the C2 community than probably any other organisation outside of council, over 30 years. And C2Fest, you know their trade is predominantly business to business ... first level, they sell stall holder sites and then ... they trade on the door ... they take entry fees ... they do have to run it as a business ... C2fest employ people to pursue their mission ... which is about participating in rural leadership and ... supporting locals, locals Tasmania-wide I guess. we have to ... there's a whole bunch of things around providing a safe environment for the patrons, traffic management, permits around environmental health, food and safety ... the provision of, particularly for the C2 Fair ... of community facilities ... and whilst we do charge them, we don't charge them the full rate it costs us to maintain them and look after those things ... so there's a subsidy ... if you like, so it's important that we do maintain a relationship ... can it better ... in terms of building and growing the Craft Fair at an operational level? And, and engaging at whatever level with the town and that community that it's in ... absolutely! , Had that been strong? Probably not! But, you tend to find, I think ... sometimes in events like that, that ... they grow because of people within. , and the support comes in where it needs to be ... Yeah [sic] ...

C2 elected representative went on to emphasise the reason for the establishment of a formal relationship between council and these social enterprises:

... if for no other reason, to protect the liability of both organisations ... because if something went horrendously wrong ... from a public safety point of view ... and we hadn't fulfilled our obligations as a regulator ... then,... you need the paper trail, and you need that formal relationship to exist, then ... we'd all end up in jail ...! And similarly, if they didn't ... if they had ... don't comply, they're going to be in trouble. So ...

C4 council officer identified a further example of a formal arrangement between itself and a local health care centre, with this enterprise established as a Section 24 Special Committee of Council.

Similarly, C3 council officer identified intent to establish a new social enterprise, thereby creating a formal relationship under the auspices of that council. The author has noted however, that findings do not present other examples of formal relationships between local government and social enterprises. Nevertheless, there are other examples of informal support relations between case study councils and local social enterprises, for example C2 elected representative said:

... there'd be a number of ways we could do it ... seed funding ... through council, whether that is part of our community grants program or whether it's um something that's outside of that ... something that we take to council and, and ask for funding through them ... but alternatively, I think that the majority of that of the assistance we provide will be ... where we assist them to get access to finance, and that might be assistance with State and Federal government grants.

The author has noted from the interviews that often relations between councils and social enterprises are only initiated by social enterprises when in need of financial support from councils. For example C1 senior council officer explained the nature of their support for a unique local social enterprise:

[B]eing a [C1]-based type operation, and whilst we couldn't really satisfy their recurrent need, I guess we saw an opportunity that they were having difficulty in the growth of their enterprise around how much produce they were getting and how they could actually collect it and that and they were sort of asking us for the use of a ute and those sort of things and we thought that we needed to replace the ute and we could just gift the old second-hand ute and would satisfy their needs as ours worrying about borrowing our ute from time to time, so, we saw the benefit in it and saw the opportunity where the second-hand ute had a very low trade-in value so they could take it on and then they could have the ute 7 days a week. I guess it came out as other things are done with them, not so much the monetary benefit but the support for what they do and their outcomes and it is really because we have a good relationship with them and we understand that they have got benefit for our community or to the region because they do work outside of [C1] of course ... Ah, all these sorts of things ... we get them back in to talk to on a regular basis.

Looking at relations or relationships between case study councils and case study social enterprises from another perspective, two examples of social procurement relationships between local government and social enterprises were identified. C4 council officer approached a local social enterprise on a one-off social procurement basis for the provision of calico bags that the

enterprise would make for distribution to all ratepayers. Despite this localism approach by C4, the limited capacity of this enterprise to produce the quantity of bags prohibited the progression of this initiative. C3 council officer also made on-going arrangements for a local social enterprise to provide catering at the council's annual volunteer awards nights.

However, interviews identify that collaborations or relationships between councils and social enterprises are not always successful. For example, C4 council officer suggested that the relationship this council had with a related social enterprises was not working well because of a perceived take-over by volunteer committee members. Other case study council interviews reflected a similar frustration at the high expectations for support by some local social enterprises, particularly financial. However, C2 elected representative presented one clear example that emphasised a comfortable relationship between council and a local social enterprise, and said:

... Oh, we have a good relationship with them ... but I don't think ... it's not a complex relationship, it's more about us supporting them to deliver a social benefit ...

Interview question – Is it a short-term or a long-term relationship?

... well, because it's not a formal relationship ... it will be as required. So, if they approached us for support ... that determines how long it will continue ...

Interviews highlight a variety of interpretations of the social enterprise concept and a variety of collaborations or relationships between local government and social enterprises by elected representatives and council officers. However, responses do not present data relating to tenure of these collaborations or relationships. Case study councils identified mechanisms and support initiatives for local social enterprises, but they do not clearly acknowledge social enterprise public socio-economic value. What is more, council spokespeople do not identify benefits for case study councils of collaborations or relationships between the two entities, nor understanding of local social investment by case study councils.

4.1.4 Social investment and social value creation

Council case studies present a common perception that social investment is what councils do under the banner of community development. Social investment has been described in the literature a tool to help increase social impact through philanthropic mechanisms/initiatives

facilitated by corporations, public institutions or private enterprise (Nichols, 2010, Social Traders, 2016). Interviews identify a similar perception by case study councils that this social responsibility is an expectation by citizens or community groups to improve local health and well-being. C3 elected representative expressed concern about the increasing social responsibilities creeping back into local government, and said:

... but we do some things for the community ... 'cos [sic] the community has value in that particular area or place ... and it makes it unique, so ... if you want to use that same term there ... the Local Government Act doesn't have social responsibility anyway through it at all ... ah, that's perhaps that's something that can be introduced, but ... social values... from local government, are going to be much harder for us to balance when we come to do budgets, going forward with just the complexities now of balancing with revenue you know and expenses ... so, ... but I, I think it's riding, riding a wave now that people are starting to take on board.

The above transcription emphasises the need for change in local government culture to introduce social values that require councils to balance financial resources against this social investment expectation. However, elected representatives also expressed concern about this balancing act of prioritising community need against the limited resources of case study councils, which would still be determined by councils on an economic return on investment basis rather than a social return on investment.

C1 elected representative explained this as:

... namely supporting a lot of these organisations through a monetary opportunity through Financial Assistance Grants ... supporting them when they write in requesting the simple, simple things ... so you're actually supporting the people that ... socially, within their sense of place ... so you ... you're doing that with all that support from council.

A C2 senior council officer explained social investment by this council in the context of in-kind support rather than monetary support:

[T]he mentoring, and the skills and stuff ... the support would come from council ... that way council can see a lot more happening in its, in its area ... first for, with targeted effort ... but not ongoing and keep feeding grant funding out to them ...

However, C3 elected representative expressed common concern regarding financial implications of social investment, and asked:

... what's the financial implications, risk management and those types of things ... does it fit with our community plans? ... so what we're saying is that ... we're not going to be a council who states something in a Community Plan and then doesn't live by it.

In the context of social investment, councils were asked how they supported local social enterprises. Findings present evidence that all council case studies have taken on the responsibility of supporting what they term not-for-profits in the past, but not necessarily social enterprises. For example, C4 council officer related an investment initiative to support a local not-for-profit aged care facility:

... we've got our aged care facility at [C4-1 township] which is the [C4 Aged Care], and we have some elderly persons' units here ... so I think we need to look at more ways of being able to support ... and I think we probably - and it's not necessarily ... probably we need more retirement type villages where you've got facilities for those retirees to come. But, you probably need to attract developers into the area as opposed to council trying to do that (laughter) on their own, and I think, you know, when we have had our strategic planning workshops, I mean that has been something that's been raised by some people in the community as well as them, well an ageing population can be a business in itself because if ... if you've got the right facilities, I mean it creates like an income ...

On the other hand, C1 elected representative indicated limited involvement in social investment and said:

[V]ery limited at the moment I would say! Yeah [sic] ... it may change with [C1 social impact strategy] 'cos [sic] that's going to be run through [C1] council ... so there may be the opportunity to do some more things around social enterprises with that project ... but at the moment ... very ... very limited I would say.

This example highlights a rethink by C1 of how it can participate in social investment activities with social enterprises. The idea of a change in the traditional approach by local government to social investment is supported by C3 council officer who emphasised that councils are the level of government closest to the people, and in this position:

...it can possibly generate the biggest social impact for community.

Similarly, C1 senior council officer explained social impact for community in this context:

... I think the starting point for that was with the social services so as to get that working better ... and also ... I guess to connect industry and business to the social services as well ... but it was also about the role of local government in that sort of being the coordinator of all those things ... to bring everybody together ... because the one thing I think with local government it is the one constant ... you get different representation around the table, but it's always going to be there, so ... my understanding of that social impact stuff is about getting the whole community behind it ...

Interviews highlight a common perception that social investment is considered to be an economic risk by case study councils. However, C2 council officer related how social return on investment could be measured:

[I] think the trick is that, how you allocate dollar resources to support the value, or capturing ... is that a value of one person, twenty people ... or sufficient enough people, that you then have to go: this is a priority for us as a local government, to ensure that that place, that sense of place ... continues on ... now whose responsibility ... where, and where do you draw the line about ... you know, you can invest in that community hall, and you could say: well, it actually needs a new kitchen, and we need to fix up this and its whatever ... let's spend \$300,000 on it or ... because it means so much to so many people ... it might only get used once a year ...

C2 senior council officer identified another of its social investment strategies by assisting social enterprises to access finance by advocating to other levels of government for grant funding. This senior council officer explained:

... generally the model that we try and use, as much as possible, we use our own money as the seed investment and then we can ... we use that to leverage additional funds from say the Federal government as well as private investors. So, typically, we think that works fairly well ...

C2 senior council officer went on to suggest councils need to have a better understanding of the role that local government can play in the social investment arena in particular relating to the expansion of the role of local government to meet community and business expectations and said:

[I] think it'll be about growing our role, in working alongside community and business ... and that we are ... using the tools that are available to us, more efficiently, and just better serving our community and I mean that's gonna [sic] be one of the biggest outcomes ... is by working alongside these social enterprises that we are actually improving our service ... and we're getting the outcomes that the community wants, so that in a large part driven by them ...

In a similar vein, C3 council officer related that social value was a reasonable return on investment in the context of a sense of place where councils shape place to meet local socio-economic needs, and said:

... it's in ... the ... Community Plan going forward, that's something that means a sense of place, a feeling of ... social value or something ... that is going to be somehow we can do a balancing act where that's incorporated. But, the good thing about that ... that's in our council Agenda right? Now, before ... we'd never seen that in our council Agenda papers ... we'd simply been a hard core costs and the social implications would have been, well would have been on a postage stamp. Now, before that even gets underway, we often have good consultation processes ... , we do have the largest community development area outside of State Government ... as a council ... and so we have got a dedicated social inclusion area at this council ...

Case study councils present an opinion of social investment and economic return on investment primarily in terms of council community and strategic planning. Interviews highlighted this approach that makes strong reference to the level of funding councils allocate to community groups/associations (sporting clubs, community halls or the installation of community BBQs for instance). Interviews also reflect that all case study councils see this as a community development response to community health and well-being.

There is an example of one case study council providing resources to a local social enterprise, however, this case study council has not developed a social policy to appropriately support social investment with this particular local social enterprise. The author notes that some respondents would like to further understand the proposition and benefit of value creation for local

communities as a result of initiatives and collaborations with social enterprises. This sentiment was expressed by C1 elected representative in relation to its local social demographic as:

... I would like to see the development of that [social investment] perhaps around the council table ... some people don't understand what are social enterprises or the benefits that it might bring to the community ... there are heaps of benefits I think ... I think it's breaking down the barriers [for those] that are living in disadvantage and for those kids that don't think they have opportunities... [it's] giving people the skills for life in many ways ... that don't have them ... and I think that's a great social outcome ...

C2 elected representative presented a different social investment perspective – time, in-kind support and mentoring, and explained this as:

[Y]ou'd have council officers that understand the importance of it, and if they see an opportunity, they'd take advantage of that opportunity to try and foster or pursue or enable funding to happen ... but I suspect it's more ... more about fortunately having people around that understand and are encouraged to do that ... And, we'll partner with the community, where we can, and we'll help you where we can ... identify their investments. But, we're not going to take the lead anymore in terms of funding and supporting, and driving an event or an initiative ... we'll come in ... you get the energy ... we'll be there with you ... if [you] don't tell us, don't expect us to be the drivers of it ...

Furthermore, all case study councils have collaborations or relationships with local social enterprises. However, C3 senior council officer has proactively taken this one step further by developing quantifiable and qualitative data to identify community needs, data which was used to develop long-term Social and Community Plans. C3 senior council officer stated very strongly that:

... I think there's significant opportunity ... if you embarked on needs-based planning and you know that this is a need ... and what are the supports and services that are available or not available ... well social enterprises are clearly a model that you can actually work with to actually address those needs.

This example presented by C3 senior council officer demonstrates that this council has weighed up return on investment of the social responsibility against the social values. C2 elected representative identified a similar approach and went on to say:

... it's long term ... it's definitely long term ... that's built through this creating of a sense of place ... so the measurement of social engagement is not straight away ... but I think we're gonna [sic] get better at doing some measurement on it.

However, it is evident from the interviews that many respondents have difficulty in understanding the connection between social investment and public/social value, because of the intangible nature of public/social value. Findings also demonstrate that case study councils found it difficult to weigh up social value against a dollar cost.

Overall, it is evident that these council case studies have participated in social investment, but not necessarily with social enterprises. It is also evident that there is limited understanding of the benefit of social investment, and further case study councils did not know how to measure social return on investment against financial return. This highlights that the lack of understanding has influenced the extent and nature of social investment undertaken by case study councils. It is also evident that some council respondents acknowledge the value of social enterprise activities on one hand, but on the other have not considered this value in terms of collaboration or partnerships with social enterprises to build local socio-economic capacity and sustainability.

4.1.5 A terrain for future collaboration

It is evident also from interviews that council case studies are seeking ways to maintain service delivery levels, while acknowledging the need for a shift in their role towards better community engagement and greater involvement in social and economic development. However, as C3 elected representative pointed out, local government has not yet balanced this role between essential economic development strategies and community/social development components that were seen to be emerging as equally important for the growth and sustainability of their municipal areas. This elected representative went on to say:

... that's perhaps that's something that can be introduced, but ... social values ... ah ... from local government, are going to be much harder for us to balance when we come to do budgets, going forward with just the complexities now of balancing with revenue you know and expenses ... but I, I think it's riding, riding a wave now that people are starting to take on board.

C3 elected representative also acknowledged that councils need to demonstrate a willingness to work with social enterprises and said it was necessary to have:

... good engaging outcomes together. [And] we are starting to generate a bit of an income for our business ... job creation ... that's what we're trying to do ... we're starting to create some pride, we're starting to get some outcomes ... and more importantly a social enterprise is able to operate by itself ... [but] if it wasn't for some support from local government ... it wouldn't have happened.

However, C3 elected representative also emphasised with this explanation that social enterprises are a hard sell, and went on to say:

So, the ones that I've seen that really work well, have, have had a bit of help from all those tiers [of government] ... but there's gotta [sic] be also a buy-in from the business community ... and it's gotta [sic] be a buy-in also from if possible, and that's even happening out here now ... through philanthropic people, you know people of a philanthropic type of view. Social enterprises are now seen as a new way forward ... So, we could co-op social enterprises ... it is really something that we can get underway very very quickly ... but, there's a, a lack of doing it, because councils are reluctant to put money in when they won't see return for 2, 3, 4, or 5 years. Social enterprises do not get money ... well social enterprise may not be in there to make a profit ... right? A social enterprise may not be showing a return for 3, 4 or 5 years ...

Each case study council was asked whether they had any policies that use social clauses (particularly social inclusion) that encourage collaborative relationships with social enterprises. And if not, should they be developed and what would they look like? These questions were “glossed” over by case study council respondents, and it is evident from interviews that very few case study councils had developed such social policies.

C3 senior council officer affirmed the existence of social policies for this council. However, an online review of all case study council policies identified there are no existing policies or social clauses relating to social enterprises. Nevertheless, questions around social policies, in particular social procurement and social inclusion, did generate some interest in possible policy development. In this context, C1 senior council officer commented:

... there is a whole range of areas where it probably pops up ... but I guess, the first thing I guess where we probably need to design or develop is a social policy as such,

and I guess that then would inform other policies as it needed to, to give us a bit of policy advice about where were we are at and summarise what we do and those sort of things. So, I will be interested out of your work, what you find there and if you find any good examples of that ... I would be surprised if anyone has got one in Tasmania ...

However, C4 council officer commented about such clause statements within Strategic Community Plans relating to social inclusion as being ‘motherhood statements’, and said:

... as far as policies, I don't know that we have got any formal policies ... I can't think of any and whilst I guess you know sort of ... when we give our Strategic Plan, these sorts of things come up, but (laughter) ... talking about social inclusion and all of that, it becomes as with all of those things, motherhood statements

Similarly, C2 elected representative stated that:

... someone said to me once – strategic planning is backwards, because it actually ... because you do this planning and then everything's related to how things should have been ... and that is a snapshot in time as opposed to instead of thinking about where things are meant to go to.

However, C3 council officer discussed council social planning research to develop its Community and/or Strategic Plans. Similarly, C1 elected representative also explained changes around its council table:

... we've had changes around the table and there is greater understanding of ... that we've got to have all our community there for us to move forward ... you know and have us all participating in and not have a sector of our community that doesn't fit the case ... but, there's lots that we can do socially and I think through [C1 program to tackle entrenched social challenges such as long-term unemployment], that will enable us to maybe have some evidence to back up some social policies ... we need to do a bit of research ...

It is evident from the case studies that councils have not considered policies that use social clauses to encourage collaborative relations or relationships with social enterprises. However, in the context of service delivery and strategic planning, C1 senior council officer presented a view that local social enterprises have a role to play, but at a cost, and in this context commented that:

... I think that we would have to think long and hard ... number one ... it's what social enterprises would be able to play in this space anyway, and ... what is the cost to council and therefore the ratepayers of going down that track, because they will think there is a cost ... there will be a cost.

This section highlights collaborations or relationships between case study councils and case study social enterprises. And despite the considerable amount of data explaining these relationships, the author has observed from the findings however, that many case study council respondents are not aware of the extent, nature and purpose of their council's relationship with social enterprises, or of the actual or potential benefits of these relationships.

4.2 FINDINGS THROUGH THE LENS OF SOCIAL ENTERPRISES

The first part of Chapter four: *Findings through the lens of local government* gave an insight into the knowledge, understanding of the current challenges and trends shaping the current and future role of local government, and the relationship that case study councils have with the local social enterprises within their municipal area. The purpose of the second part of this chapter *Findings through the lens of social enterprise* is to present and examine the perspectives of social enterprise case studies, their activities and relationships. In their own words, case study social enterprises explain their role in public value activity [social and economic], what they do and how they do it, and respond to the question regarding the nature of existing relationships with local government.

Social enterprise literature provides us with a host of definitions and each is debated according to global location, culture and central government mandates on what the social enterprise sector shall deliver and how (Defourny and Nyssens, 2006, Eversole and Eastley, 2011, Social Traders, 2016). In spite of this, social enterprise literature also identifies that there is no one clear definition to describe the multitude of organisational and governance forms that characterise social enterprise activity (Eversole, 2011, Duniam and Eversole, 2013). The following profiles demonstrate the distinctiveness of local social enterprises.

For the purposes of this study a definition was provided to all selected case study organisations [local government and social enterprises] which stated:

We define social enterprises by their ‘mission to generate social and community benefit’ and using trading activities to fulfil that mission’ (Eversole and Eastley, 2011). Some examples are: Vincent Industries (Wynyard), Bonorong Wildlife Sanctuary (Brighton), Resource Work Cooperative Tip Shop (Hobart), and local Red Cross Shops.

While each of the related selected social enterprise case studies has been identified, for the purposes of this study each case study social enterprise referred to in this chapter has been codified, for example SE1, SE2 etc. to maintain anonymity of respondents.

Interview transcription data was coded and grouped according to key topics, frequency and patterns:

- What social enterprises do and why
- Trading activities
- Governance and business model
- Creating social change and building community capacity
- Relationships and Networking
- Future relationships with local government

These key points were then collated into four groupings of themes, and a snapshot view of which is presented as follows:

- Being a social enterprise in Tasmania
- Governance and structure of local social enterprises
- Community development and value creation
- Social enterprise collaborations and relationships

Being a social enterprise in Tasmania identifies the distinctive nature of local social enterprises. All social enterprise managers/CEOs and management committee Chairpersons explained what they actually are and what they actually do to achieve their social mission. It is evident that case study social enterprises developed their unique social mission by identifying a social deficit within local community, which is seen as an opportunity to establish each social enterprise with the purpose of finding local solutions to local problems. While most case study social enterprises do not have good understanding of the social enterprise concept, they were able to align enterprise activities to the definition of the social enterprise concept. It is significant to note that all case

study enterprises focus on what they do, and that the social enterprise label is not considered an important aspect of operations or social mission. Case study social enterprises demonstrate knowledge of community and its needs, and utilise community as a resource to build social capacity and social capital.

Governance and structure of local social enterprises identifies a variety of organisational structures and governance models, and all rely on participatory governance and a democratic management structure to achieve social mission. It is evident that the organisational structure and governance models demonstrate nature and extent of community engagement and relationship each case study social enterprise has with local government and community. It is evident also that each case study social enterprise relies heavily on volunteer workforce, to achieve social mission.

Community development and value creation relate the significant role local social enterprises play in the local community development arena. Findings present examples of community development that have created social change for disadvantaged and marginalised members of community. It is evident that the actions and activities of each of the eight case study social enterprises have a common intent to be a social change agent and a turning point for members of their communities, through vision and social mission. Findings also highlighted that each case study social enterprise has created opportunity for development – individual, organisational and community, and each of these elements create benefit or value for community by collectively tackling community social problems. Findings demonstrate that all of case study social enterprises create value from three different perspectives: local social value through community engagement, economic value through commercial/trading activities, and internal (organisational) value through participant social networking and organisational capacity building. Case study social enterprises also acknowledge that volunteer participation makes a significant contribution to successful enterprise outcomes.

Social enterprise collaborations and relationships emphasises the diverse collaborations and relationships case study social enterprises have with local government and other levels of government, with funding bodies that support enterprise social mission, and with other similar social enterprises. Two key points emerged from the findings. Firstly it is evident that case study social enterprises initiated relationships with local government with a strong expectation for financial support, and secondly, that case study social enterprises did not identify any significant

benefit of these relationships for councils. It is evident however, that case study social enterprises acknowledge the need for a better and stronger relationships with local government, particularly in regard to financial support. Findings demonstrate that most case study social enterprises tend to operate and act in isolation rather than associating with other similar social enterprises or associations. All selected social enterprise case studies were asked whether they fill any service delivery gaps for local, State or Federal Government. Findings highlight that only two case study social enterprises provided an essential service in primary health and disability services, the remaining enterprises did not fill any service delivery gaps.

The following section expands on the groupings of themes in response to case study social enterprise interview questions, to understand the activities, role and outcomes of local social enterprises within community in Tasmania.

4.2.1 Being a social enterprise in Tasmania

Case study social enterprises demonstrate low level knowledge and understanding of the social enterprise concept. In this regard and similar to case study councils, each case study social enterprise was provided with a definition of social enterprise for the purpose of contextualising their enterprise activities and social mission. And despite discussion around this definition, it is evident that understanding was not so clear cut for some case study social enterprises, while others were able to explain fully their social enterprise status. For example, SE2 committee chairperson indicated that:

... I guess if you had to put a tag on it, it would be that and quite a number of other things!

Similarly the chairperson from SE5 social enterprise said:

... I've never looked at it that way ... but, but I like the sound of it ... I think it describes it quite adequately ...

Conversely, SE4 CEO affirmed clearly the social enterprise status of this organisation and said emphatically that:

We do see ourselves as a social enterprise, and so we're providing a service to our community.

In this context SE6 manager also emphasised:

Yes, absolutely [and the social mission is] to provide successful entertainment to community members who can't normally get out ...

SE7 manager aligned the social mission and not-for-profit status of this enterprise with the social enterprise definition, based on its contribution to community:

... it's summed up really in the 'let no good idea go unrealised' ... which is just kind of our catch phrase ... So, it is really just about providing the resources ... and as much expertise as we can muster to help people ... , realise good ideas .. This is supported by its mission statement: SE7 is a not-for-profit, community-driven social enterprise that provides training and access top industry standard facilities in the recording arts domain.

Similarly, SE8 chairperson saw their status as a social enterprise because of what it does for its community:

... but I would say that ... what we are doing ... is helping enhance community health and well-being simply by providing a social enterprise ...

Case study social enterprises highlighted the importance of their enterprise activities, particularly as they are perceived by interviewees as social development and social change processes to building community capacity. Case study social enterprises presented a variety of trading activities, for example SE1 manager detailed three specific social enterprise arms auspiced by this community organisation, and said:

... one is [SE1-1] seeds which is seed kit , which is a, just a little ... it, it's a bit gimmicky, but it's really about encouraging that idea of growing your own vegetables because we have got such a focus on ... what you, what you eat ... nutrition fundamentally is who you are!

Interview question: And do you sell those seeds?

... We do.

Interview question: ... do you sell anything else from, you know through markets or ...

... Well we, we're selling those through the markets and various other outlets, , we have a catering arm. ... so ... , we have [SE1-2] Catering ... and that's a very much snack ... you know like finger food ... and again it's around healthy, so it's healthy options ... so, we thought OK, there's probably a little bit of a niche there ... , and we started that off ... So, now it's ... should run ... what ours will be is ...[SE1-3] Produce Store ... and it will be based out of [C1 area] ... here ... and we will be selling seasonal fresh produce ... we'll also be doing jams, chutneys, herbs, dehydrated herbs, relishes ... all of those things ... we ... obviously it's about bringing ... and it will be seasonal ... we'll start with one acre and we will be developing our own market garden ... now it won't produce all the produce for the stall ... the vegetables ... but we are going to go along on the no pesticides and value-organic ... simple bio-organic ...

From the perspective of SE2, the chairperson identified that show-casing the gardens as a tourist attraction was the primary focus, rather than trading to fulfil a social mission. However, the chairperson did further identify that trading supported their social mission, and said:

... and so we're totally dependent on being able to generate income from quite a number of different income flows ... and so all surplus plants, because we're dependent on is ah virtually all hybrids, and ah to build up that ah collection further of species rhododendrons ... the seed needs to be imported from the, those that are, are collecting in the wild ... and a lot of that going back to Seattle, and then we import the seed from there ... we've got to get it through quarantine, into our own nursery ... ah, and ah ... and so that's about a 5-year ah ride before you even have a plant ready to be planted out ... and so surplus to our own requirements, those plants that would not be available through commercial nurseries, we're able to sell as another little income stream.

Also, SE2 chairperson identified that this social enterprise charged admission fees to the gardens, hires out its venue and provides catering to viably support the social mission.

Being a social enterprise in Tasmania is explained from the perspective of SE3 manager who was overseeing the establishment of social enterprise SE3-1 which was auspiced by council C3, and said:

... it's basically a food truck operation called [SE3-1]... it's been developed with the intention to increase vibrancy at [C3 area] but also training opportunities for young

people, particularly through C3 High School and Big Picture School ... [and] potentially also through CALD [culturally and language diverse] ... Communities in [C3] area ...

SE4 CEO explained in detail the operations and trading activities of this enterprise, and the value generated by these activities within community also, and said:

... it was planned in a way ... that we could dovetail this ... the, the facilities ... the different venues ... for people ... we are still a whole. So the tea rooms ... we wanted to be able to train people up to provide very basic refreshments type service, but we also wanted to showcase their work here at Mill Lane, and so we ... tried to diversify, the items that they make ... and we found that ah, they are selling well, and people see them as good quality items ... but also, it enables, it allows for the people with disabilities to ... to ... what's the word I am looking for? To, experience ah [sic], different ... types of fabrics, different texture ... tactile ...

And,

... it's so important to people, and so if they've only ever ... ah, had their school years and much of that was very ... ah, it was very limited puzzles, colouring in ... you name it ... pens and pencils ... but, and, and very, even parents were concerned about them working with ovens and using knives for cutting vegetables ... we had to break ... there were many barriers to break down there ... and ... we've got a catering service ... there, they cook their own corned beef for sandwiches, they learn to slice ... ah, using sharp knives ... that means people with poor, quite severe disabilities, we have them ... and ... I can't remember when we had an accident, and so safety is important to us too ... all that training's built in ... but we make ah cushions, we make pet beds, we make ... er, we look all sorts of things that you probably see in local markets because there is a creativity out there that we're tapping ... and utilising for their sakes. [And] ... when the Volunteer Awards night came up, they were looking for some group or some ah organisational business that would provide for 300, 350 people one night a year ... and they thought that that was a job we may be interested in ... and we grabbed it with open arms ... and it meant that it was a week's work ... food safety of course, that's paramount, but we have done that now for probably I think just about our 22nd year. So we're still doing that ...

SE5 chairperson explained that this social enterprise was established by and operates under a formal agreement with council C4. The chairperson also identified that SE5 has two mechanisms for raising funds to support the social mission. The first one is to access second hand goods for

re-selling to the public, like a garage sale; and the other is straight out community fundraising activities (raffles etc.). The author noted from the interview with the chairperson that these two fundraising prongs are kept separate because:

... It means that you, you can have people that are in all intents and purposes are fundraisers, but they're on different projects that don't confuse the community. [And] ... they [the community] know that the money is going towards the improvements of the property, and its, and its needs such as ... medical needs ... upgraded chairs if you like ...

Trading activities identified by SE6 chairperson were explained as:

... We have a café, café merchandise ... cinema tickets, food and wine, badges and posters and raffle tickets at each cinematic event.

SE7 manager related its trading activities as:

... we sell ... recording services, to musicians ... we operate on the capacity to pay basis ... so we have like a loose schedule of fees ... we hire out the studio for rehearsals, we hire out the recording studios for people who already know how to record ... they come in and do it themselves ... we record other people ... people get grants and come in and employ the studio to do their recording for them ...

Interview question: So, the opportunity would be, or could be not would ... could be ... beyond this municipality?

Yeah [sic] ... we have, have done ... we have ah been hired by Tasmanian Lifelong Learning ... to run a workshop for Campbell Town High School ... which was a partnership between TL3 (Tasmanian Life Long Learning Inc.) and Campbell Town High School ... so we went in there and ...

Interview question: So, you actually sold your services ...?

Yeah, yeah, yeah [sic] ... so, we've run two workshops with them ... yeah [sic], so that's another trading activity ... we've also done, as far as trading goes ... [unclear] (laughter) ... are you interested in the range of things that we do as far as trading ... the [name withheld] Ballet ... probably the [name withheld] Ballet School ... we ... happened across one of their previous DVDs they had done for one of their end of year

productions ... it was fairly poor, and we thought well, we could do a better job than that ... so we approached them and said you know, we could do this ... , and it'll probably cost ya [sic] ... \$25 a disc ... , yep [sic] ... so we do that ... and yeah [sic]...

Interview question: So you do the DVD for ... ?

Yep [sic], we go and do the whole production. Oh, yeah [sic] ... and watch all the dress rehearsals and film ah the matinee ...

Interview question: And bring it together ... ?

Yeah, yeah [sic] ... and then sell the ... sell them ... they pay the pre-orders and we provide the discs ... yeah [sic], we do all the production ...

SE8 chairperson identified that this enterprise is a small operation primarily to provide social interaction opportunities for the local community, and identified that its social mission is supported through the sale of annual and six-monthly membership packages, and sale of wine and small snacks at each film showing, with all proceeds going directly back into the enterprise.

Case study social enterprises clearly establish their unique social mission by identifying a unique social deficit within local community. This demonstrates that case study social enterprises see local social deficits as an opportunity which presents a set of circumstances to find local solutions to local social issues. For example, SE1 manager identified the social stigma attributed to the local neighbourhood, and said:

... the aim of was to offer opportunities, to the community, that would build individual capacity ... and I guess that, that we've taken that focus... with quite a strong strategic emphasis in the last three years with a focus on health and well-being both for individual families and community ... to offer opportunities, to the community, that would build individual capacity. ... and ... focus on education, training and employment. So, you know, building up personal tools and community tools.

However, while SE2 chairperson did not clearly identify enterprise social mission, organisational mission statement was referred to as:

[W]e are a non-profit community organisation, developing, maintaining and operating a garden of international significance.

To support this, SE2 chairperson discussed establishment of this enterprise to fulfil an unmet need for the group of volunteers with a common-interest and passion for this garden, as well as building a tourism entity.

SE3 manager related the social mission of SE3-1 as:

it's been developed with the intention to increase training opportunities for young people, and ... basically the, the model is ... we've developed the food truck with support from State Government and the Myer Foundation as it is to be a social enterprise ...

SE4 CEO clearly described the social mission of this enterprise as:

... an organisation that was established to provide for unmet need within the community ... for people with disabilities ... with any form of disability ... and that includes intellectual, physical, psychiatric ... no discrimination ... and always has been that way. We do see ourselves as a social enterprise, and so we, we're, we're providing a service to our community.

The CEO of SE4 went on to explain that the real focus of this enterprise was to train people with disabilities and expose them to as many learning experiences as possible. For example the clients of this service made biscuits, relishes, soups, quiches and participated in hospitality service within the enterprise tea rooms.

By comparison, SE5 chairperson presented a simple explanation of SE5 social mission:

... a comfortable zone for working with council to achieve a medical identity in the [C3 township2] Community.

SE5 chairperson went on to explain that the establishment of this enterprise came about by chance when a comparison by the local community was made between neighbouring towns and [C3 township2] that identified a significant deficit in primary health provision. The story was:

... there was a Health meeting ... being held in [C3 township1] and perhaps there would be a member [community association] who would like to come along ... and I could safely say, amazed, stunned at the amount of, ah health facilities and I suppose services that were being offered in and around but nothing into [of any substance ...

and so out of that ah, was the knowledge that when we, when [C3 township2] had a service here, that Health service was conducted in a hotel room ... or a facility ... varied in the town ... it could be someone's home, basically it was out of hotel, hotel rooms ... and they were not reliable so that if for argument's sake, a patient was coming to a meeting one month, ah, the next time it was here it was somewhere else and they failed to hear about it, and so the provider returned without seeing the patient ... ah, I could safely say a real mix and mash disorganised system of the day! Part of the findings out of that research meant that it was vital if there was ever going to be a, a positive change, to have a designated ah building or a facility here that could, that ... could house providers and hopefully a medical practice. And so that's a bit more ... The idea was mooted based on the facts.

SE6 manager identified that this enterprise filled an unmet need of social interaction within the local community, therefore, the enterprise developed a 'product' of affordable movies. The mission of this enterprise was explained as:

... our objectives are to provide an affordable cinematic experience for the entire community, and ... the other is to raise money for the Primary School and youth community projects.

SE7 is another small enterprise located in the same municipal area as SE8; and the SE7 manager explained the social mission as:

... well, it's not-for-profit, people who work there do so voluntarily ... ah, it's fulfilling a gap in the community ... framework ... it was originally grew out of the fact that there were no rehearsal spaces for young musicians ... outside of the school ... environment ... so, it grew out of that ... and while it was developing we also realised there was nowhere for them to record either ... so we sort of put recording stuff into the mix ..

SE8 chairperson described the establishment of this enterprise as being formed by volunteers after a community survey identified an interest in the setting up of a local film society. When the SE8 chairperson was asked during the interview if the driving force for the establishment of this enterprise was a social deficit, it was explained that:

... I'd be a little bit more precise than social benefit ... there was a deficit in not being able to see movies ... locally...

SE8 chairperson then went on to express that the establishment of the film society created a social benefit, and that the benefit for the community was:

... it is very much considered to be part of the ... part of benefit or spin off that ... it's something that is easy for people to do and it's cheap ... it only costs people about \$5 a film ... it gets them out of the house ... nice and early on the Saturday night ...

It is evident from the findings that each case study social enterprise is a driver towards local social change from different perspectives, in accordance with each unique social mission. It is also evident from the findings that each case study social enterprise has insight into local social issues, and as a result each case study social enterprise is a development actor within its own community development framework.

4.2.2 Governance and structure of local social enterprises

All eight social enterprises were asked: *who participates in decision-making about your enterprise?* so as to determine management structures and governance models to clearly define roles and responsibilities of those participating in operational and decision-making processes. It is evident that the models of governance between each of the social enterprise case studies is quite variable, as are operational structures, numbers and status of volunteers/employees.

SE1 manager identified the organisation as the overarching governance body for SE1-1, SE1-2 and SE1-3. And SE1 manager identified that the Board of this organisation comprised stakeholder representatives and community members, and explained the overall governance process as:

... the way that we've structured the Board now is that one month we meet and it's financial ... so we deal with the business side, obviously all the governance and requirements are dealt with ... the following month is the strategic planning meeting, so we very much look at what we are doing ... are there any gaps ... we measure it against the strategic plan and then we look at it ... requirements of the Board ... you know in terms of governance. For day-to-day operational matters, those are the responsibility of the Manager of the [SE1]. ... I'm the Manager ... so I have taken overall the responsibility for the management of the [SE1] ... the programs and the activities ... the relationships with other organisations ... and ... obviously drive our, our focus.

SE2 chairperson identified a Board of Management, but its membership is an in-house composition of enterprise volunteers. SE2 chairperson explained the board as:

... they're predominantly all gardeners ... with a limited amount of business admin. experience or skills, and so this is where you sorta [sic] need one or 2 at the top (chuckle) who are, who are strong enough to be able to make recommendations and then ah ... unfortunately (chuckle) ... there's not much debate on, and so it does put currently for me a lot more responsibility on my shoulders to make sure that you're sort of ... encouraging them in the right direction.

As related earlier, SE3 manager identified that C3 is the auspicing body for the proposed social enterprise SE3-1 SE3 has an independent Board of Directors autonomous from the council. SE3 also has a formal Constitution which states the role of the Mayor or an appointee of the Mayor onto this Board with a requirement for regular reports to C3. SE3 is operated as a charitable institution with deductible gift recipient status. Under the auspices of the Board of SE3, a Social Enterprise Committee was established, and governance arrangements were explained as:

... actually the current Chair of that Committee is the General Manager of the council ... he helped steer that development collaboratively with the other Board and Committee Members.' The Social Enterprise Committee is responsible to the Board of [SE3], and 'they can't make decisions in their entirety ... but the Committee meet fairly regularly, probably ... six to eight times a year ... I go to them with recommendations for discussion, and get an update from progress of the enterprise [SE3] ... so that's the stage we're at ... the Committee discuss them and answer any questions or queries, and then they report to the Board ... and the Board, if there's a decision to be made, the Board will make the decision.'

SE4 CEO identified that this social enterprise also has not-for-profit status and its governance structure is according to the rules of Incorporation where there is a requirement for a Board or a Committee. SE4 CEO explained the governance arrangements as:

... the Committee is made up though ... of not experts from community ... they are people involved in the organisation ... we follow the model rules of incorporation, and we involve ... also our clients ... and parents where they have an interest.

SE5 chairperson explained the management Committee of this enterprise is as a Section 24 Special committee of C4. Membership consists of community stakeholders, and its role is to

adhere to the guidelines set down by the C4 which includes council representation on the Committee and all decisions must be approved by council.

SE6 also came under the auspices of C4, but not in the formal capacity of a Section 24 Special Committee of Council. The original committee was formed in 2010 with two council employees and three volunteers. The comment from SE6 manager about this committee is that:

Strictly speaking there's the committee ... which is a committee of 5 ... I think that it's listed as being to advise, guide and oversee ... and as members of the committee ... we really ... and I make the decisions ... I mean, my idea of a good committee is 5 members and 4 absentees ... to be quite honest with you (laughter) ... there is no need for a quorum (laughter) ... It's not run officially ... We take Minutes, we don't have that many meetings ... , we just get on with it!

SE7 manager identified that the management committee of this enterprise comprised four community volunteer members together with C2 Community Development Officer, and the Youth Development Officer from the C2 Community Health Centre.

SE8 chairperson identified committee membership of twelve volunteers, with a full committee meeting once a month to review processes and any outstanding business. Roles and responsibilities are clearly delineated for members of this Committee, broken down into work groups or sub-committees to undertake roles such as venue management, food and wine provision, publicity and promotion, newsletters and administration.

It is evident that the size and structure of the organisation and the distribution of work within these case study social enterprises is determined by the number of employees [volunteers] for each to accomplish their goals. As far as the operational structures go, SE1 manager is employed as a full-time manager, supported by eight part-time/casual volunteer staff. By comparison, the operational structure of the SE2 is described by the chairperson as dependent upon a part-time business manager, and a part-time horticulturalist. And when asked how many volunteers work with SE2, the chairperson's response was:

Ah, it's, it would be very difficult to put a number on it ... because some ... of a Thursday when they have a working bee in the garden ... there might be 15 - 20 sometimes, then there's others that help on catering ...

Question: ... would you suggest there may be say 50 volunteers?

Oh, oh no ... it would probably be in excess of that because some come in and just help with catering ... ah, and, you know the most recent feature built in the garden is this Chinese Pavilion ... and so, it's involved another group of people again ...

Interview with SE3 identified that SE3-1 has not been fully established at this stage, nor has it progressed to the point of employing staff, and SE3 manager did not provide information relating to enterprise structure.

It was explained by SE4 CEO that this social enterprise began with no trained staff. What is more, this enterprise continues to rely heavily on unpaid volunteers to fill client support staff positions. SE4 CEO believes this to be an unrealistic and untenable situation for the enterprise and support staff because of service delivery requirements, and Government funding was not forthcoming for some time to alleviate this situation. The State Government has now funded three disability support worker positions, and all other positions remain covered by volunteers.

SE5 chairperson has no paid employees and relies on five volunteers in funding support roles. Likewise, SE7 manager and SE8 chairperson identified that each enterprise relies solely on volunteer committee members to manage these enterprises. Both SE7 and SE6 relied solely on the support of volunteers to achieve their goals.

Findings highlight that the governance and structure of these case study social enterprises have shaped the role of these enterprises as actors in community development and local development processes. Findings also present examples of case study social enterprises working on the ground with local communities through participant engagement and bottom-up approaches to finding local solutions to local problems.

4.2.3 Community development and value creation

The Social Enterprise Knowledge Network (2006) emphasised that both economic and social value creation are of equal importance, and that the generation of value is the ultimate objective of these enterprises [ibid 59]. Interviews demonstrate that all of case study social enterprises create value from three different perspectives. Firstly, local social value through community engagement, secondly, economic development through commercial/trading activities; and finally,

internal (organisational) value through participant social networking and organisational capacity building. Interviews identify that some case study social enterprises present a more strategic approach to creating value. For example, the SE1 manager emphasised the strong strategic focus this social enterprise has taken on community development over the past three years and said:

... that's about building health and well-being both for individuals and families... [and] the other thing that we're really hoping to do is break down the stigma of C1[township] ...

Further, SE1 manager identified a cross-generational health and well-being need and said:

... we have got such a focus on ... what you eat ... nutrition fundamentally is who you are! And so it is about just getting back to basics, and ... I think we've skipped a few generations in terms of growing your own vegies and ... where food comes from ... so, it's ... the concept was you know for parents and may be grandparents or friends to be able to grow and see how simple it was to grow vegies and maybe move on from there ...

SE2 chairperson placed very strong emphasis on volunteer membership and volunteer activities that have built social capital. SE2 Chairperson explained this process as:

... a group of dedicated rhododendron growers, and hybridisers, who were looking for a site to be able to plant out ... the plants that they had ... [and a] ... volunteer organisation that over the past 33 years has created an asset that's of value that's very difficult to put a value on ... the actual asset created ... [which] has reached the point now where it's becoming of international significance ... and that's quite an incredible achievement for a bunch of volunteers

SE3 manager emphasised the strategic focus of this not yet established social enterprise, particularly social inclusion through training and work integration, by providing employment for local marginalised youth. Similarly, SE4 CEO emphasised the provision of capacity building opportunities without discrimination for people with any form of disability. SE4 CEO explained that the intent of this enterprise is to:

... show the community their [participants'] capacity, their abilities, which they ... it was unrecognised at that time!

SE5 chairperson explained that this enterprise has made a significant contribution to the health and well-being of the local community, through the provision of primary health care. Further to this, the provision of supporting health care information to patients supports patient self-care, which SE5 chairperson explained as:

the Resource Centre is to offer ... materials if you could call it that ... as a backup to professional services that exist here and elsewhere that the community need to be aware of ... so, here we have literature in the form of brochures, videos, and I could say broadly, other paraphernalia that ah the doctor can send the patient to or obtain easily ... and it's run in the form of a library ... so everything is recorded ... in and out ... and there are times there where a provider will need to explain to a patient how they conduct what you might call a remedy, and they can access this literature, photocopy it and they just hand it to the patient ... rather than what we might call the old method of scribble ... scribble on a piece of paper.

SE7 manager enthusiastically described this social enterprise as an opportunity for anyone with a good idea to engage in the activities of this enterprise to build individual creative capacity, and explained what this enterprise does:

... help people find their creative edges ... so there's no barriers for finding what they are capable of ...

This highlighted the opportunities for community members with a common interest to build collective skills and community capacity. However, this interview did not make any reference to actual social change.

SE6 chairperson and SE8 chairperson presented similar intent by providing opportunities for social interaction to reinforce social cohesion and connectedness within community, enhancing community social health and well-being. For example, SE6 chairperson said:

... successful entertainment to community members who can't normally get out ...

Similarly SE8 chairperson explained that this enterprise provides opportunities for social interaction:

... it gets them out of the house ... and it does mean that people can kinda [sic] reinforce their social connections or make new ones.

All case study social enterprises undertake some level of commercial/trading activity to support social mission, which contributes to the local economy. Four case study social enterprises demonstrate clear strategic commercial intent for earned income. For example, the establishment of three social enterprises by SE1 (SE1-1, SE1-2 and SE1-3) generates earned income for each enterprise. Another example is SE2 which creates a tourism asset supported by sale catering activities and sale of enterprise-generated products. SE3 proposes that SE3-1 will earn income to sustain itself. Conversely, the trading activities of SE4 are identified as the sale of craft products and operation of tea rooms providing a hospitality tourism experience generating earned income. It is evident however, that some case study social enterprises are less focused on trading activities to support their social mission and place more emphasis on enterprise outcomes, for example social change, demonstrating they are less economically strategic than others.

Barraket et al. (2010) and Brouard et al. (2015) conclude that the value created by the social enterprise sector is not limited to its external or social network environment. Findings demonstrate that it is the internal environment, the organisational structure, processes and activities that are a platform for the creation of benefit for participants. Examples identified that SE1, SE3 and SE4 propose to build capacity of their participants through training and employment, which, as SE1 manager expressed, 'gives participants a choice about their future.' Furthermore, when SE1 manager was asked about the focus of this organisation, the response placed emphasis on engaging participants from community to participate in social change and capacity building, and SE1 manager said the purpose of the organisation was:

... to offer opportunities, to the community, that would build individual capacity. ... and.... focus on education, training and employment. So, you know, building up a personal care tool and community care tool ...

SE2 chairperson identified collaborative and capacity building benefits for participants within their enterprise and acknowledged the skills and contribution of volunteers in the creation of their assets 'that are not just average' and said:

... and so, all of those that have worked ah on both the development of the garden itself, the landscaping, the stonewalling, putting in all the plants and trees, finding the finance to progress all of that ... I guess have also been rewarded, because ... volunteers would not be contributing if a) they didn't enjoy it and b) if they weren't getting satisfaction ... [And it is a] volunteer organisation that over the past 33 years has created an asset that's of value that's very difficult to put a value on ... but ... the

actual asset created ... has reached the point now where it's becoming of international significance ... and that's quite an incredible achievement for a bunch of volunteers

SE3 manager also emphasised that SE3-1 will provide training and employment, which will also build capacity of participants.

SE4 CEO also relies heavily on volunteer participation in the delivery of this service, while at the same time embracing the challenge in changing community perceptions about the capacity of disabled people, and the CEO related what was said by outsiders:

... these people are vegetables! ... they can't do, they don't understand what you're saying ... now I'm seeing those very people [participants] shopping alongside me in a supermarket and I yeah ... I feel really excited about that ...

SE5 chairperson explained the activities of this enterprise were limited to resourcing funds by community volunteers, who were acknowledged as very capable community members. This chairperson expressed this in terms of:

Ah, we learn from each other ... yeah [sic] we share the knowledge ...

SE7 manager explained that this enterprise is solely managed by volunteers, supporting a vision to give opportunities to anyone interested in growing audio-visual skills. This enterprise has offered training for volunteers and SE7 manager said:

... one of the big things we do is train ... people in how to use the equipment that we've got ... [and] we have like a 2 stage, ... set-up so that once you reach a certain level of ... proficiency with equipment ... you attain the status of Trustee.

This example suggests that the reward status of 'Trustee' within SE7 provides encouragement to volunteers together with the benefit of acquiring a level of proficiency not otherwise locally available in the audio-visual industry.

While chairpersons of SE6 and SE8 explain their organisations as being formed, managed and operated by volunteers, interviews did not identify value or benefits for participants within these enterprises.

Findings highlight that each of the case study social enterprises is unique in their operations and in their social mission to build individual and local community capacity, and create social change within community. It is also evident that as community development actors, the nature of each case study social enterprise is distinctive demonstrating unique strategic logics which have influenced case study social enterprise collaborations and relationships.

4.2.4 Social enterprise collaborations and relationships

The eight selected social enterprise case studies were asked questions relating to their relationship with local government (their local council) and whether local government assisted in the establishment of their enterprise. It was also important to define relationships with other levels of government, and other similar social enterprises in the context of funding support, partnerships and/or mentoring support. The purpose of these questions determines the current nature, extent and purpose of collaborations or relationships that each case study social enterprise has with local government and other associations.

SE1 manager related that C1 did not play a part in the establishment of this enterprise and that SE1 operates autonomously from this council. Regarding the nature of relations with the council, SE1 manager said that:

Council have been ... enormously supportive ... and it's very respectful ... This enterprise would like to continue this good relationship into the future, and they see the council as: having the expertise ... I mean and also functionally just being able to get ... supported through the red tape ...

SE2 chairperson also related that C1 did not play a role in setting up this social enterprise. However, this interview reflected a perception by SE2 chairperson that this council has not supported them equitably. This perception was based on a comparison made by SE2 chairperson with another similar organisation in the NW region of Tasmania. The situation as SE2 chairperson sees it is:

... whilst there has been assistance in the past which I would want to acknowledge ... the support from the local council has been more limited , in my opinion ...

However, SE2 chairperson did go on to acknowledge other support from C1 in the form of promotional assistance, but the interview revealed a perceived difficulty in getting this help:

... we have had to push to get every bit of that assistance ... and it's probably disappointing at times that there's not more ah ... I guess coming from the council ... asking, asking what they can do to help ... it's always us having to push really hard ...

The SE2 chairperson expressed a wish for this enterprise to be acknowledged by C1 for its significant contribution to local and regional tourism. What is more SE2 chairperson expressed a wish for a better relationship with C1 and said this relationship should:

... continue to develop a much much more supportive hopefully role from the [C1] council .. we're certainly aware that local government is in exactly the same position as State governments and Federal governments at the moment, financially ... but there's a lot of times when it doesn't even have to be financial support ... moral support ... doesn't cost much and is also a significant factor.

By comparison, SE3 has a close and formal relationship with C3 because this council is the auspicing body for the establishment of SE3-1. SE3 manager explained this relationship was as:

Strictly very close, having been established by the [C3] council ... I am an employee of the [C3] council ... but only indirectly through grants that we've brought in ... and it's contract-based ... as a result I am positioned in the [C3] council and I'm also the CEO of SE3, the independent company I mentioned ... we have a position on the Board constituted for the Mayor, an appointee of the Mayor or an executive member of the leadership team and ... at the moment that position is fulfilled by the General Manager of [C3] council, so, we endeavour also to provide regular updates to council on the SE3-1 program ... and past June 30 this year, it is likely that the position will transition fully to [SE3-1] Inc ... and council contributed to that in-kind with an office, so it will still maintain that strong physical connection with here. Formal documentation of the relationship is not available, but it was identified that there is a formal licence agreement with the local council for operation of the enterprise on council land.

And in response to determining what a future relationship would be like between this enterprise and local council, SE3 manager stated:

Yeah [sic], I think though there is a lot of things that the council could potentially offer that they do ... in a limited way, but I think ... it's a bit scattered ... there are costs associated with operating the food truck that are expenses to [C3] council potentially like registration of the food business... they've ... supported the project in kind by

waiving those kinds of costs ... that could continue ... and be more formalised ... we also have costs in terms of garaging the truck, and they're going to be temporarily garaging at [C2] council for us ... but again, that could be more a long-term solution to reduce our costs ... basically, anything to reduce the costs because it's really a marginal business model and because it has such great social outcomes in this local municipality ...

SE4 CEO emphasised that this enterprise operates independently of C3, and while the interview identified that no assistance was provided by C3 in the establishment of this enterprise, C3 did lease premises to this enterprise for a peppercorn rent in early days of its operations. The SE4 CEO described the current relationship with C3 as s being a good relationship, however the CEO related a distressing situation resulting from the earlier relationship with C3, and said:

... there has been a couple of periods where that we have had some difficulties ..., in fact, ... a crisis at one point. But, ah, yes ... this building at [local area] Lane, was originally owned privately ... and so we entered into a lease with that that person ... and ... overnight without council informing us, I came into work one morning and there was a fellow at the door from council ... council officer who said that the building had been sold to the council ... and so it became the council's building ... but they hadn't ever entered it ... so they'd purchased the building ... they purchased the whole facility ... and that was, that was ah an experience for me, because I, I would've thought that they'd have wanted to see inside ... but they needed this building ... and my fear was ... for car parking! That was my fear, but I was told: no, no, no ... no way ... They were just interested in the purchasing it ... and that just ... hmm, yeah ... And so, the fear never disappeared ... This sense of unease was confirmed when sometime later that the council planned to evict SE4 without prior notice, We were given a week to be out ... I've never got over it ...

As a result of this impending situation, the SE4 CEO related that this enterprise was determined to find another appropriate facility. At this time, they (CEO, staff, volunteers and client families) were very aware that their current facility faced significant OH&S issues and were hoping that together with the council they would be able to improve things. However, the CEO decided for SE4 to dig its heels in and:

... By morning, I'd in fact decided we would stand our ground and refuse to move ... An offer was made to council to help bring the building up to standard ... which we did! And we ran a fundraiser ... and it went exceptionally well. We raised enough money as

we had said we would ... and ... instead of us having to leave, what we had to do was take everything out of the building, which was hard in itself ... but we got sea containers and there was homes, garages, and we took everything out. ... ‘

SE4 CEO went on to positively relate that:

... it was good because ... it ... assisted us ... it gave us more strength to continue on and it was almost like pleasant ... but we beat it! But we also have never forgotten ... we felt it was a very ... poor way ... of assisting or supporting a non-government charitable group ... we thought that them knowing the nature of our service, that we would be given extra assistance ... and it became, ... a focal point for community, we had community involved, they could see that we, we needed funding to support our remaining in the building and they came to the fore!

It is evident from the findings that SE4 has now developed a social procurement relationship with C3 council, where they have become involved in council catering for the annual Volunteer Awards night. When asked what sort of future relationship SE4 would like to have with C3 council, the response was:

... look ... the mind boggles when you think about what could have been ... if we'd have had that support in the first stage ... [and] I think to be more aware of what we do ... because I think that a partnership would ah, we'd ... we'd gain, they'd gain, community would gain ... I think that's the answer. Certainly, clients, families, just community generally ... and the nation! That's how it works isn't it? (laughter) ... so yeah ... and they would probably have the, the ideas ... I mean they would have the knowledge that we haven't got ... that's what, the expertise we need!

SE5 chairperson identified earlier that this enterprise was established by C4 council to provide primary health care services in C4 [township2] when a significant primary health need was identified by the local community association. SE5 manage this facility, and C4 provide some funding to support this. However, the interview identified a perception by SE5 chairperson that C4 does not respect the contribution of SE5 volunteer committee members. SE5 chairperson expressed a wish for a better relationship with council, and said:

... but what you'd call a community ... the wisdom of a community that associated with a future ... and that is respect ... I was fighting a minute ago for the word ... and that only just come out ... and that's exactly fits what I mean ... respect! Respect for the,

the responsibility you have ... and that I look upon as a real need. They, the council would perceive that they are showing their utmost respect ... A comparison was made between council and the committee, with a suggestion that: What council have to look at is ... they are paid people ... and the community organisation ... most of us are volunteers ... and, we ... and many of us have probably come from damned good jobs, good responsible jobs ... If council wants, wants to continue in the future to tap into those types of resources, then they must show some respect to the people that can provide it for them. It's, it ... to me, it, it, it's costing them nothing but respect ...

SE6 was also established by the local council, and the chairperson explained this as:

... Well, it all started with ... the school has a building ... Kevin Rudd Education Revolution Building ... and we don't know the full history of it, but anyway they ended up with the screen and the chairs and the data projector and then the Principal [at the time] of the Primary School, approached [name withheld] ... the council Officer ... to ... find out if they could work with council ...

SE6 chairperson further related that current relations between SE6 and its council are somewhat shaky and identified that unclear operational and management parameters were never established by this council at the outset, and this has created some governance and reporting issues:

There's no official reporting of the [SE6] as such within council. The council provides in-kind support by covering public liability insurance costs and printing costs of around \$600 per year. As for a future relationship between this enterprise and local council, it was said: Oh well ... future relationship ... ah ... I ... in terms of this enterprise ... I would like it to be that the council ... [would say] ... they're doing a really good job ... what can we do to help ... not how can we hinder them ... I'm finding that a big of a problem at the moment. To separate [from council] would be to ... in terms of the decision-making about this enterprise ... let us do it ... and be happy!

SE7 manager identified that this enterprise does not have a formal relationship with C2. However, it was identified that C2 did have a role in setting up this enterprise by providing premises for enterprise operations rent-free and providing mentoring particularly in the development of a business plan and also writing down the working paper. The SE7 manager expressed satisfaction with local council support because C2I was instrumental in:

... identifying the fact that SE7 was a valid and exciting idea ... in itself ... so they helped ... they were the 2 key things that allowed us to make the idea as concrete to a point where other people easily access it and go ... that's the idea ...

Even though SE7 has no formal agreement with local council, SE7 has gone onto provide services to council in kind, for example when the local council runs a biennial concert, SE manager explained:

... where they bring international or national acts over ... there's ... and [SE7] has provided the PA and done the sound for that ... the last couple of years ... , which is saving the council an awful lot of money in professional PA and providing us with very good skill development opportunities ... [and] being able to work with some very good high quality artists ...

A future relationship between SE7 and C2 was not discussed in any great depth, but SE7 manager did express a wish for support from C2 to expand the capacity of this enterprise.

SE8 chairperson identified that C2 did not help establish this enterprise, and SE8 interview identified informal collaborations only with C2. However, SE8 chairperson intends to apply to C2 for a Community Grant to purchase equipment, and related that:

... ah, when we were actually aiming to move into the C2 Theatre ... and there's quite a bit of refurbishment, refurbishment needed for that ... for we are applying for a variety of grants ... and in the process of that we will be asking council for in-kind support in terms of installing things ... and they are happy to do that ... we have a verbal agreement from them that they will support us with in-kind ..

SE8 chairperson further expressed a belief that this application to support refurbishment of their facility would fit into C2's capital works program, and in support of this, C2 has already been making project cost estimates. And while there is an informal agreement between SE8 and C2, it is more of a project outline that has been put in writing so that C2 is aware of timelines. SE8 chairperson explained that:

This collaborative project is an example of a future working relationship this enterprise would like to have with local council.

Another important interview question put to case study social enterprises related to other collaborations or relationships these case study social enterprises have through networking with similar social enterprises or with funding bodies, corporations and key partners/stakeholders.

SE1 manager identified three key partners in the establishment of SE1. For example, SE1 placed a successful bid with Tas Medicare Local (Commonwealth Department of Health) for significant 3-year support funding for the establishment of [SE1-1] and [SE1-3]. The local TAFE college farm gave access to a small parcel of land for the development of a market garden, and connection was made with Mission Australia Employment Services with a purpose of:

... respectfully identifying people that are long-term unemployed in the community and offering them the choice of participating in the farm, in the market garden with Freer Farm ... or through the shop ... , in gaining skills. So they'll be gaining, gaining accredited skills ...

SE1 manager identified that this enterprise has a reciprocal working relationship with *2 and Five*, another similar social enterprise in Victoria, which was described as:

... a social enterprise operating out of Norlane, which is near Geelong, in a really disadvantaged area ... and they've been doing a similar thing for a while ... and they've got a lot of resource around their financials and ... so they've offered to mentor us ... equally my skills are probably around quality, but I hate doing it! And ... and so we had agreed that if we got the funding, they don't have an Operational Manual, and that I would work on that ...

SE2 chairperson explained that SE2 was currently progressing discussions with the Potter Foundation for grant funding, and the Royal Tasmanian Botanical Gardens:

... which would hopefully move us from having a Memorandum of Understanding with them, to more of a partnership agreement ...

SE3 manager highlighted that while a lot of initial research was undertaken to develop SE3-1 concept and networking was undertaken with a lot of similar social enterprises nationally, longer-term relations have not been developed with any of them. However, the SE3 manager did express intent to partner with an RTO and said:

... we'll basically be partnering with Registered Training Organisations to deliver you know the modules for certification and that kind of thing ...

SE4 CEO emphasised that SE4 does not have a relationship with other similar enterprises, but has engaged with:

... [C2] High, [Senior] College ... most of the Colleges in [adjoining municipality] have an involvement in some way in [SE4]. The enterprise also has a Memorandum of Understanding with C3 College and identify that: we work closely with them ... we have a Memo of Understanding and of course many of our trainees now are involved in certificated training ... which we knew years ago that they'd be capable of ...

By comparison, the chairperson of SE5 identified a networking relationship with the local community association only. Furthermore, SE6 chairperson explained that while other similar enterprises have made contact, no collaboration or relationship of any sort had been developed with these contacts.

Conversely, responses identified that SE7 and SE8 are located within the same municipal area [C2] and they have developed a reciprocal working relationship. SE8 chairperson explained that provision of technical support and operational know-how was provided by SE7 for equipment purchased by SE8, and that SE7 was able to use this equipment in return. This was explained by SE8 chairperson as:

... we've shown some of the student films ... that [SE8] film-makers have made ... we've shown them before our main movie ... so they approached us to see if we would allow them to show it as a short film prior to ... and of course we are absolutely delighted for that ... so ... and that will continue ... as, as occasions arise ... you know they want to ... they've got something that they want sort of attach to our evening, they come along and everybody is very sort of enthusiastic, even the films are you know, not what you would call professional standards ...

SE8 chairperson identified that SE8 has developed a relationship with another social enterprise for the provision of catering. SE8 chairperson explained this strategy value-adds to their product by providing supper to encourage patrons to stay, sit around and chat so as to extend the social interaction of the group.

SE7 manager identified that SE7 has a 'kind of loose relationship' with a similar organisation, and explained it as:

... a film development organisation ... they provide hiring of film-related equipment, like cameras, video editing, ah software and hardware ... so we are operating in a similar space there because the studio does a lot of films.

To determine other relationships, case study social enterprises were asked if they had access any funding streams (grants, subsidies, etc.) from local, State or Federal governments. SE1 manager identified that SE1 has received funding from Medicare Local to support the establishment of three social enterprises (SE-1 and SE-3). SE2 chairperson identified that it had submitted a funding application to the John Potter Foundation for \$20,000 to support volunteer contributions and complete particular garden projects. SE3 manager has secured both State Government funding and philanthropic sponsorship from the Myer Foundation for the establishment of their proposed enterprise. SE4 CEO stated it does not receive any Federal government funding, but identified that:

... we receive funding for a few support workers ... from the Department of Health and Human Services, the balance of support workers are funded through our fundraising ... now we receiving better funding through the State government ... and we are getting better funding ... and hopefully it'll even improve under, under NDIS ...

SE5 chairperson related that SE5 has secured a minimal amount of State government funding to support the operations of their enterprise. SE6 chairperson, SE7 manager and SE8 chairperson identified that their enterprises do not have any significant funding streams and that they rely solely on trading activities and volunteer fundraising initiatives. However, SE6 chairperson did identify that SE6 supplemented its operations through marketing and corporate sponsorship and stated:

The funding that we've got is I've gone out and got private funding ... so, we've actually looked to other people in the community ... and outside this particular community ... 'cos [sic] we've got sponsorship from Hobart and even one from Lonnie ... Launceston sorry ... who can see that ... who like what we're doing and see that it's good for the community and have actually put their money where their mouth is.

All case study social enterprises were also questioned as to whether they filled any service delivery gaps for any level of government. SE5 chairperson emphasised that SE5 fills a significant primary health service delivery gap, but not for any other levels of government. SE4 CEO explained that it does fill a significant service delivery gap and explained that:

... we're viewed now as a necessary 'essential service'. And, I could I add to that ... our community ... we are receiving referrals from Government ... and have always, and we've never had funding come with them by the way, they were their responsibility ... they would refer them to Aurora because ... they couldn't get them in anywhere else ...

It is evident from the findings that only two case study social enterprises fill any service delivery gaps for local, State or Federal governments. What is more, interviews identify that case study social enterprises have not engaged significantly in relationships or collaborations with local government and/or other levels of government. Similarly, it is evident that networking between social enterprises (local and other) is limited. However, it is clear that each case study social enterprise expressed a wish for better relationships between themselves and local councils, particularly for greater provision of support funding together with acknowledgement of the contribution each social enterprise makes to local socio-economic development.

4.3 SUMMARY

This chapter presents case study findings from the different perspectives of case study councils and case study social enterprises. Case study councils identified their institutional status which is embedded in Tasmanian State government legislative requirements. Case study councils acknowledged challenges and trends influencing their current role, in particular the push by other levels of government for reform, about which concern was expressed because of a perceived lack of guidance in the reform process. Case study councils also expressed concern about their relationship with other levels of government, for example, devolution of social responsibilities by stealth from other levels of government to local government.

Findings highlighted that community development is a significant role for case study councils which is facilitated by providing funding support mechanisms for local not-for-profits to enhance community health and wellbeing. It is also evident that case study councils demonstrate low-level understanding and knowledge of local social enterprises, including the eight case study social enterprises which are part of this study. What is more, case study council also identify that

collaborations or relationships vary between informal to formal between themselves and case study social enterprises.

All case study social enterprises explained clearly what they do, how they do it and the value of what they do for their participants and local community. Case study social enterprises expressed a wish for better relationships with their local councils, particularly for improved financial support. However, it is evident that case study social enterprises have not clearly presented to case study councils the benefit of better collaborations or relationships between themselves and case study councils.

Case study social enterprises emphasised that all their activities which include skills development, education, training, commercial/retail, social interaction and community governance positively influence socio-economic development within local communities. Findings also reflect that these activities not only connect participants and the enterprises with their place, but they create a sense of place for citizens and communities.

The findings of this section present many aspects and dimensions of social enterprises and their collaborations and relationships with local councils. The findings also demonstrate that the strength of social enterprises is in their responsiveness to local social deficits and their business approaches to achieving their social mission.

Chapter five will discuss findings in the context of the literature and research questions, generating knowledge and understanding of the contemporary role of local government and the role of local social enterprises in Tasmania. Chapter five will also inform stakeholders within local government and local social enterprises of existing interdependent relationships, and identify potential and value of future relationships between these two entities.

CHAPTER 5: DISCUSSION

In Chapter one, the question was asked: Why, given similarities between local government and social enterprises, there is not more of a well-developed set of relations? In this context, Chapter five seeks answers to the following primary question: ***What is the value proposition of a relationship between local government and social enterprises in Tasmania?***

The study is also guided by the following secondary questions:

- What challenges and trends are shaping the current and future of local government in Tasmania?
- What is the nature of existing relationships between local government and social enterprises in Tasmania?
- What potential relationships may be possible between local government and social enterprises in Tasmania?

Chapter five will make comparisons of power, governance structure and function of each organisation so as to understand constraints and operating environments that influence community engagement and relationships. Chapter five will draw out the key results that have emerged from earlier chapters of this thesis. It will also examine principal points of similarities and differences between the literature written on this topic and this research.

Chapter four presented results from the perspective of case study councils and case study social enterprises about their relationships with each other and their communities. Five key observations emerge from the analysis of the results that assist in understanding the nature of each organisation, the environment in which each organisation operates, and the interface and relationships between local government and social enterprises in Tasmania.

Firstly, Tasmanian local government is grounded in historical institutionalism. It is a very young system of government based on the hierarchical Westminster (British) system of government, adhering to traditional rules and practices (Pillora and McKinlay, 2011). Secondly, the current challenge for local government in Tasmania is to reshape itself for the future, to meet the new reality of reform (Jones et al. 2011). Furthermore, as Local Government Association of Tasmania and Tasmanian State Government (2014) point out, the imperative is for local government to find innovative ways of governance that include plausible and workable local solutions to local problems.

Thirdly, the reform of local government spotlight has fallen on the community engagement approach by local government in Tasmania, placing emphasis on a paradigm shift towards democratic governance that encourages citizen participation in decision-making. The fourth observation is that both local government and social enterprises are agents of place and enablers of community development, and finally there are tensions at the interface between local government and social enterprises. In this chapter, these observations are expanded in conjunction with literature so as to reinforce what is already known, but also to identify what is new about local government and social enterprises in Tasmania, how they engage with community and with each other.

An important aspect of this chapter is to determine the value proposition of a relationship between local government and social enterprises in Tasmania, in particular what already exists or may be achievable by establishing empirical evidence in support of these relationships. Analysis of data suggests relationship options in context of the local government / social enterprise nexus, emphasising that the activities of each organisation are appropriate to the current and future needs of local communities and citizens. Local government in Tasmania is expected to achieve better community participation and decision-making, and this chapter looks at the approach to relationships between local councils and social enterprises that reflect both economic and social value creation.

5.1 UNDERSTANDING THE ROLES AND NATURE OF LOCAL GOVERNMENT AND SOCIAL ENTERPRISES IN TASMANIA

5.1.1 The context of local government in Tasmania

The aim of this subsection is not to describe the nature and structure of local government in great detail, but rather to contextualise the prescribed role and responsibilities of local government in Tasmania from the perspective of case study councils. In examining the role of local government, Chapter two presents the complexities and multi-faceted nature of local government internationally and in Australia, with an interesting observation of the status of local government in Australia proposed by Dollery et al. (2003: 1) that said:

... local government can nevertheless justly be described as the poor cousin of its more exalted state and federal relatives in terms of the attention it has drawn from the research community.

What is more, Dollery et al (2003: 2) went onto say:

... municipal managers and elected representatives are nevertheless obliged to formulate and implement policy in an increasingly complex environment.

In this regard, it is observed from interviews that case study councils perceive they are an unimportant level of government by other levels of government. What is more, the complexity for local government is compounded because councils must work with other levels of government, despite other levels of government having no idea what the issues are at a local community level (Pike et al. 2006).

The status of local government is a topic raised by a number of interviewees. Several placed a lot of weight on the institutional and bureaucratic standing of local government together with its traditional roles and responsibilities, but also emphasised operational limitations imposed through Tasmanian state legislation. Aulich et al. (2011) defined local government as a dual-purpose institution of government and governance at a local level. Furthermore, Panizza and Miorelli, (2013) identified that the complexity of local government is intensified by its grounding in a long-established traditional bureaucracy within a political economy.

Another observation regarding the complexity of local government in Tasmania is evident from responses that suggested local government should operate as a business or corporation, administering funds through budget allocations with a goal of sustaining services in each municipal area. Respondents also emphasised accountability for spending, weighing up income and expenditure, particularly with distributing funds to support community development initiatives. In this regard, there is a consistent view that traditional services such as “roads, rates and rubbish” will probably be streamlined and/or outsourced, and therefore much less of an operational issue for councillors.

Respondents also hold the consistent view that case study councils see themselves as an institution which has a significant interactive and democratic role to play within community. In this context one respondent said:

... it's [local government is] connected and it has a capacity to understand what is happening within their community ...'

Results demonstrate that local government in Tasmania has both a traditional and pivotal role within community, with strong focus on civic leadership, advocacy and stewardship, locally. This is supported by Guderjan (2012) and Hambleton (2011) who emphasise the critical role that civic leaders play in creating and implementing local democracy. It is further argued by another respondent that people like having local government because it provides stewardship on the ground, connecting community and provides capacity for councils to understand what is happening within local community. In this context, a council senior officer gave the example of stewardship by council undertaking long-term planning and community collaboration to develop a Community Plan which was advocated to other levels of government for funding support to meet local community issues. This example highlights the positioning of civic leadership, advocacy and stewardship as visible and important roles for local government (Lyons, 2007, Dollery and Grant, 2010, Dollery and Grant 2011).

Case study councils were asked to explain the role of local government into the future. Two respondents expressed the view that councils in Tasmania will have to become the economic drivers for the region, and another respondent proposed that the future for local government will be around provision of health services, in particular incorporating social needs of community. Despite one elected representative being confused about 'social responsibilities creeping back in again from many corners', the respondent acknowledged that local government has a social responsibility to do things for community. Furthermore, as Jones et al. (2011) and Martin (2011) identify, there is an expectation for local government to take a new more responsive way to address emerging social responsibilities, locally.

One elected representative clearly identified that councils in Tasmania are changing and moving from traditional service provision to people because people expect councils to play a significant role in the health and wellbeing of community. In response to these emerging local social responsibilities, another elected representative pointed out that these social responsibilities present an untapped opportunity and resource for councils. This is seen as an opportunity for collaboration between local government and community to build service delivery capacity, and resolve local social issues (Douglas and Grant (2014, and Douglas, 2014). This approach is supported by Pike. et al. (2006) and Adams (2008) who propose that local government has the

role and responsibility to share and build local knowledge and participate in local community. In fact, one council officer identified that as a benefit of this collaboration, councils would be less insular. Moreover, as stated earlier by Hess and Adams (2007b: 11) this role and responsibility of local government is seen as a process that: can be interpreted as strong local councils driving stronger communities.

Ryan et al. (2015) emphasises the importance of local government. What is more, results reflect that case study councils feel that the importance of local government is seriously underestimated by community and other levels of government. However, Fearn (2013) proposes that while councils are amazing, they must not lose focus on what local government can do with and for community in the future. Despite the uncertainty of the future role of local government (Zinn, 2006), this illustrates the responsibility for local government to review itself and the nature and extent of challenges it is facing, which will ultimately influence the future role of local government in Tasmania. Furthermore, as one elected representative succinctly put it, people do not see lines on maps, it is only elected representatives that see those, and this reflects the governance and stewardship dilemma for local government in Tasmania.

Another dilemma for local government is identified in the literature which emphasises that contemporary society at the grass roots level is considered to be in a continual state of flux (McIntosh et al., 2008). Results reflect a belief by case study councils that while local government will remain the custodian of community assets and provider of essential services, it will become more of an enabler of community when it comes to providing some of the social health and welfare services that a modern community expect. In discussing this changing role for local government, Worthington and Dollery (2002) referred to Warwick Smith, Commonwealth Minister for Local Government (1996: 1) who stated that:

All governments must anticipate and react to continual change and respond to rising pressures from the community, business and government sectors to improve efficiency and effectiveness of their services. Local government is no exception.

The current status of local government in Tasmania is clear. However, the author has observed from the results that local government can no longer depend on the influence of its traditional bureaucracy to support its role into the future. The author has also observed from the results that local government in Tasmania must proactively consider the effect of global and local factors,

particularly community expectations, to meet emerging responsibilities that impact on local community health and wellbeing.

5.1.2 The nature of the problem facing local government in Tasmania

As outlined in the previous section, Tasmanian local government acknowledges the need to change, but also acknowledges its constrained ability to bring about this change. The central theme of this section explores the impact of the pressure for reform.

As canvassed in Chapter two, it is claimed that the current model of local government is based on multi-functional territoriality and political systems (McKinlay, 2010). In this regard, Bell (2002) proposes that the formal-legal and administrative arrangements of government explain political or governance behaviour within an institutional setting, and results demonstrate that this is reflected in the governance behaviour of local government in Tasmania.

Schmidt (2008) and Schmidt (2011) highlight that local government tends to be static and equilibrium focused. The author has observed examples of this institutionalism where local government in Tasmania has generated its own traditional discursive dimension, to administer local government bureaucracy under legislative jurisdictions. This, as March and Olsen (2005) and Albescue (2011) identify, is where each institution operates in its own right by virtue of institutional rules and practices which cannot be changed arbitrarily, but are connected as members of the same institution. However, the principles of this historical and bureaucratic institutionalism are challenged by McQueen (2013) who argues that the preservation and sustaining of traditions may undermine the relevance of what organisations do or are trying to do.

Furthermore, while Dollery et al. (2003) emphasise that there is an expectation for elected representatives to facilitate effective governance, elected representative responses clearly indicate a belief that they do their job well. However, a contrary opinion was expressed by some respondents (elected representatives and council officers) who identified that even though councillors do a good job, there is a need for councils to better understand current and future community needs so as to more effectively represent and reflect community values. A similar view was presented by one council officer who argued that elected representatives are possibly not well-enough informed to be making the decisions that they make.

A persistent issue identified by all respondents and supported by the literature is that citizens expect local government to advocate on their behalf to fill any service delivery gaps that have emerged through reconfiguration at other levels of government (Brown and Keast, 2003, Aulich, 2009). Furthermore as one elected representative pointed out, councils are going to have to learn to deal with this new reality, to do things more efficiently and be more productive. This emerging trend for greater social responsibility for local government to mitigate social disadvantage gaps in local communities has raised concern for case study councils. In this regard, respondents have raised serious questions about financial implications and risk management for councils. Several elected representatives expressed the view that this trend is pressured devolution of responsibility from other levels of government, imposing an added financial burden on councils to be balanced against existing financial resources (Buser, 2013, Campbell 2016).

From another perspective, the author perceives that this expectation may not be well-understood by case study councils or may be considered as a role outside the current governance domain of local government. The author also considers that this therefore may influence extent of understanding by local government of real and ever-changing socio-demographics and local social needs. And while all respondents acknowledge a need to consider emerging socio-economic needs, it is evident that this lack of understanding by local government may adversely influence social intervention approaches and mechanisms by councils.

However, as de Silva (2011) pointed out this has also pressured local authorities to strategically consider ways to build community and economic development within local communities to mitigate social disadvantage gaps. What is more, some elected representatives have begun to question their representative roles together with what their councils do, how they do it and why they do it. Furthermore, as one elected representative identified, the role of elected representatives is becoming less about where councillors see the future going, as councils finding out where communities want to be in the future. Keohane (2011) supports this view, emphasising that while councils have a vital civic leadership role to play in leading change and advocating for citizens for communities, they must adjust to a newer localism agenda that places people as partners in governance design and delivery.

One of the strengths of local government identified by respondents is that it is the tier of government closest to the people, therefore respondents perceive local government understands local community needs best. However, the dilemma for local government as identified by elected

representatives is incorporating a localism agenda within judicially defined boundaries. Furthermore, as one case study council responded stated, it is only councils that see lines on maps, not the people. What is more, it is evident that local government in Tasmania, its responsibilities and capacity to shape local development within judicially defined boundaries has been on the radar of the State government of Tasmania for quite some time, particularly in the context of reform and sustainability (Access Economics, 2007, Tasmanian Government, 2010).

Lyons (2007) raised concerns regarding sustainability of local government UK in its current form, primarily because of central government control of local government, and local government's dependence upon central government for support funding/revenue. This is a challenge for local government, and it is apparent from the literature that the most significant trend challenging local government globally and locally is the push for reform, i.e. reform of governance, structure and administration (Wollmann, 2000, Lyons, 2007, Andrews et al., 2008, Paulais, 2009, Megele, 2012, Wollmann, 2012, Grant and Dollery, 2010, Martin, 2011, Buser, 2013).

Elected representatives acknowledge that reform of local government relates to redefining the role of local government (including that of elected representatives) and modernising its functions, processes and community engagement mechanisms. In line with this, case study councils acknowledge political intervention by the Tasmanian State government to reshape and broaden its role through reform. Civic academics propose that reform is a mechanism for local government to develop a citizen-focused participatory process that enables community problem-solving and reverses the sense of disconnectedness commonly voiced by individual citizens (Pritchard and McManus, 2000, Pillora and McKinlay, 2011, Herriman and Pillora, 2011, Huggins, 2012).

Respondents clearly identify that councils have already undertaken some measure of reform, in particular place-shaping. Lyons (2007) explains place-shaping as the adoption of a leadership style that engages local partners through collaboration to solve local issues, locally. Results present good evidence that some councils have sought through civic leadership and collaboration to be better informed about local socio-economic needs. For example one case study council demonstrated a place-shaping approach by establishing a local economic renewal group in collaboration with local community stakeholders. This initiative has encouraged community participation and influenced community development strategies and outcomes for this

community and council. What is more, this example fits with the trend for citizen expectations to shape their own future (Jones et al., 2011, Brackertz, 2013).

The over-arching theme of this place-shaping approach, demonstrates an emerging trend for shared governance which reflects knowledge partnering to build a local knowledge base that 'underpins people's actions and decision-making' (McKinlay et al., 2011: 18). However, elected representatives are very clear about their degree of discomfort in adopting this new governance model of sharing decision-making with community. It is evident that this new governance model challenges elected representatives' perceptions of the governance role of local government. Dollery and Grant (2010) propose this new governance role would realign council governance focus equitably between community and local government as a place-shaping mechanism. This place-shaping approach as explained by Palich and Edmonds (2003) again places emphasis on place for local government. And it is in this context that Local Government Association of Tasmania and Government (2014) and Lyons (2007) strongly suggest that local government must embrace the place-shaping role to build a sense of place by strengthening engagement with community. However, elected representatives and council officers consider that place-shaping and a sense of place are mechanisms for community development, rather than mechanisms for reform.

On the other hand, Dollery and Grant (2010: 1) question whether the place-shaping approach to create a sense of place as a reform model has resolved problems faced by local government. Rather they believe it has heightened cost shifting, social exclusion and possibly diminished local government accountability. Similarly, Campbell (2016) relates cost-shifting or decentralisation as an evolving relationship between higher levels of government and local government. What is more, this has resulted in a challenging situation for local government which emphasises central governments' enthusiasm for top down or 'vertical rather than horizontal decentralisation' (Campbell, 2016: 5-7).

Two key points emerge from the discussion around reform. Firstly, it is evident that some councils are not clear on what reform of local government actually means. And this has created tensions around what and how other levels of government expect local government to reform (Evans et al., 2012, Dollery, 2011, Gooding, 2013, Dollery et al., 2003). And while results reflect that Case study councils acknowledge the need for change, it is evident from the results that there is limited movement by case study councils towards this reform agenda.

Secondly, results illustrate that reform is not a simplistic process and elected representatives raised concerns about the drivers for reform by the State government of Tasmania. What is more, concern was expressed about the lack of guidance in this reform process. It is significant to note that case study councils perceive a lack of council innovative capacity to cope with this push for reform, and in this context, the situation is seen to be more complex and the process more demanding on their skills and resources. Furthermore, as discussed by Evans et al. (2012) this is a top-down driven process for local governments by State governments, which emphasises the situation for councils not being able or encouraged to establish their own reform agenda.

Again in this context, results were examined to determine whether any suggested reform approaches such as social policy development has been applied by case study councils. It was discovered that one council only made reference to future social planning in its Community Plan. It is also evident in these results that no other case study councils have developed formal policies that incorporate social clauses for future social planning. Moreover, as one respondent stated:

but ... talking about social inclusion and all of that, it becomes as with all of those things, motherhood statements

Similarly, another elected representative emphasised the importance of not developing strategic plans by looking backwards and relating to how things should have been, but by looking at where things are meant to go. And in this context, Dollery (2011) proposes that this approach would require bottom-up internal reform within councils, and that this would possibly align this process to the proposed reform agenda for local government.

The imperative for local government reform as identified by Local Government Association of Tasmania (2006) and Munro et al. (2011) is to meet community expectations that reflected economies of scale for municipal areas. This is to increase local government capacity and reduce administration and compliance costs, and suggested to be achieved through council amalgamations. This imperative has placed the role of local government under extreme pressure to reform structurally, financially and in particular how it engages with community. One elected representative referred to amalgamations of councils as a top-down mechanism imposed by the Tasmanian State government. On the other hand, other respondents (elected representatives and council officers) argue that while there is a definite need for greater efficiencies in local government, they also suggest that the strength of local government in Tasmania is its local status that connects to local communities by providing stewardship and advocacy on the ground, and not necessarily through amalgamations.

This subsection provides insight into a range of challenges and trends facing local government, which have been described as strongly influencing the future role of local government in Tasmania. However, results demonstrate tensions between local government and other levels of government regarding the imposed reform agenda. A localism approach alludes to a mechanism for understanding local community needs to support the community development role of local government. However, it is clear there is a reluctance by some case study councils to embrace this approach which encourages greater collaboration with other local community development actors, for example social enterprises.

5.1.3 Social enterprises: concept and local context

The complexity of local government, the trends and challenges facing local government and how it engages community is only half the story. To complete the picture, thorough consideration has been given to case study social enterprise results which explain the circumstances of the establishment of these local social enterprises, their operations within local communities, and their unique field of action.

While social enterprises are identified as a subdivision of the social economy with links to community and economic development (Kain et al., 2010), McNeill (2009) argues that there are wide and differing definitions of the social enterprise concept, which McNeill considers should be viewed as a movement rather than a sector. What is more, Defourny and Nyssens (2010) emphasise that the hybridization of social enterprises has created difficulty in defining the social enterprise concept. Furthermore, while some case study social enterprises have aligned themselves to the not-for-profit sector, results demonstrate that case study social enterprises are more concerned about what they do rather than what they are.

It was canvassed in Chapter two that the term social enterprise has mixed definitions (Eversole and Eastley, 2011). Social Traders (2014) explain this is a result of organisational characteristics of social enterprises that cross a wide spectrum of organisational possibilities which has created the difficulty of definition (Grant and Dart, 2014). Case study social enterprises demonstrate various organisational typologies, for example hybrid, community enterprise, cooperative etc. (Social Traders, 2014) which explains motivations of these social enterprises.

Grant and Dart (2014) emphasise the difficulty in defining social enterprise. And while there is no single universally agreed definition, each case study council and case study social enterprise was provided with a simple working definition of the social enterprise concept (Duniam and Eversole, 2013: 5) for the purpose of interview and discussion: *social enterprises are organisations that use trading activity to achieve a social mission*. Despite case study social enterprises demonstrating low-level knowledge and understanding of the social enterprise concept, all respondents were able to fit their activities and social mission to the supplied social enterprise working definition.

Two respondents conceded that if a tag was attributed to their enterprise, then the social enterprise label would describe it quite adequately. Four respondents considered themselves as typical social enterprises operating within the not-for-profit or third sector (Burkett, 2014). Other case study social enterprises are considered to be low-fliers or soft examples of social enterprise, such as local film societies, because they do not align themselves with a not-for-profit status, despite trading to fulfil social mission.

Duniam and Eversole (2016) identify that social enterprises emerge as a formal manifestation of autonomous self-organisation, and in the instance of social enterprises, rely heavily on volunteer participation across all levels of the organisations, despite participant skill level. This, as Young (2001) identifies, involves a high degree of dedication and willingness by participants to share knowledge and/or acquire new skills.

Social Traders (2014) identify that there is no legal structure called social enterprise. Each of the case study social enterprises have established an effective strategic management structure, involving volunteer participation. It is evident from the results that volunteer participants outnumber paid employees and are given the opportunity to take part in democratic governance, a process which Aulich (2009) aligns with citizen participation and community governance (McKinlay et al., 2011) that ensures fair representation and social inclusion of all participants within the social enterprise.

For case study social enterprises there is the serious challenge of governance, so as to ensure effective decision-making to support activities and achieve social mission. For example, several case study social enterprises identify that the makeup of committee does not include experts from the community, but people involved in the organisation, including clients. Another case

study social enterprise explained that the volunteer committee of five had a role to advise, guide and oversee enterprise activities. A third case study social enterprise identified committee membership of twelve volunteers with a full committee meeting once a month just to review processes and any outstanding business. Another case study social enterprise identified its purpose to train unpaid volunteers to suit roles and responsibilities of this enterprise. Furthermore as Barraket (2012) identifies, this democratic governance model emphasises a democratic management approach with a purpose of making strong connection with community to build an outcome of social change.

However, from the perspective of one case study council respondent, there are no true or pure local social enterprises because trading activities of local social enterprises do not produce sufficient profit to sustain the enterprise autonomously thereby requiring support funding from other levels of government or community. Nevertheless, Chapter two emphasises that social enterprises operate within an increasingly competitive landscape for economic resources, therefore social enterprises have to diversify funding streams to incorporate grants and donations with earned income (Smith et al., 2012). In this context, Campbell et al. (2011: 14) refers to Deforny and Nyssens (2006: 4-5) who suggest that social enterprises represent a new dynamic type of not-for-profit organisation that engages in commercial activity.

Further to this, Gaventa (2006) and McMillan and George (1986) contextualise social enterprises as emerging from community and working within place to facilitate social change. The intent for social change is evident within the results, with each respondent providing clear examples of social mission and activities. Each example also demonstrates social innovation and entrepreneurship so as to build multidimensional local social economic and community capital, which Weerawardena and Mort (2006) consider is to achieve sustainable competitive advantage for social enterprises to accomplish their social mission.

Despite the unclear definition of social enterprise, it is evident from the results that case study social enterprises operate within the framework of the social enterprise concept, to achieve social mission. It is also evident from the results that case study social enterprises are autonomous self-organised groups that comprise volunteer participants from community. While case study social enterprises demonstrate distinctive social enterprise characteristics or typologies, respondents clearly focus on what they do rather than what they are. What is clearly evident from the results is the strong connection case study social enterprises have with community. Similarly, local

government is connected with community through governance, civic leadership and community development. How each organisation connects with community to build relationships is the focus of the next section.

5.2 LOCAL GOVERNMENT AND LOCAL SOCIAL ENTERPRISES: CONNECTING WITH COMMUNITY AND BUILDING RELATIONSHIPS

A significant finding in Chapter four, is that community is the nexus and common factor between case study councils and case study social enterprises. This is despite each organisation placing a different construct on community, each demonstrates interactions with local communities using different community engagement mechanisms, for different purposes of community development. This section unpacks the different perspectives of community, the interrelationship that local government and social enterprises in Tasmania have with community and between each other.

5.2.1 Community: engagement and development

The term community is highly ambiguous, even though it is vastly familiar to the general population and used in every-day conversation. Local government presents both a traditional and operational perspective of community, that it is a planned environment identified as a collection of physical properties and attributes (Kyle and Chick, 2007, Bradford and Kerr, 2012). Chapter two canvasses that local government places a construction of place and space to community to fit the strategic governance and stewardship role of local government (Pike et al., 2006, Chambers, 1983). Obst (2004) and Pillora and McKinlay (2011) describe this physical construct of community by local government as disregarding the interdependence of other characteristics of community, particularly the social bondedness or human discourse relationships within community. In other words, a sense of community identity and belonging (McMillan and George, 1986).

While literature presents a clear perspective of community by local government (Pike et al., 2006, Chambers, 1983), results identify limited understanding by case study council respondents of a sense of place and councils' role in developing a sense of place. However, each case study council presented strategic planning and place-shaping examples in discussions, which respondents considered fulfil this role of a sense of place. Sense of place is proposed by Local Government

Association of Tasmania and Tasmanian State Government (2013) as a key role for the reform of local government, particularly to improve community engagement outcomes with community. However, it is evident from results that the interpretation of community by case study councils has influenced the nature and extent of community engagement. Moreover, it has also identified an acknowledgement by some study councils of a greater need for local government to be both pragmatic in approach to community and sensitive to the needs of the social community at the same time (Pike et al., 2006, Stilwell, 1992).

Results clearly identify that case study councils acknowledge increased citizen expectations in participatory governance. These expectations have pushed councils to consider becoming more involved in delivering services to enhance social health and wellbeing within community and build community capacity for the future. Nevertheless, it is also evident from the results that most case study councils have not adopted broader community engagement practices, in particular cross-sectoral networking to source community knowledge and expertise to deliver better community development outcomes.

However, there is evidence of one case study council participating in a cross-sectoral collective impact project in an endeavour to solve local social issues. Brown and Keast (2003) propose that this broad community engagement approach places the focus of local government on community as a potential institutional site and governance mechanism. It is evident from the results that the remainder of case study councils focus on a traditional pattern of top-down community engagement and development initiatives (Duniam and Eversole, 2016), such as community funding grants and public arts policies which council respondents perceive built strong community social value.

Conversely, two case study council respondents emphasised the importance for councils to acquire knowledge of community that reflect its capacity and to understand what communities actually want for their future. Furthermore, for councils to use community engagement as a mechanism to capture that knowledge. Pillora and McKinlay (2011) point out that local community knowledge is a resource that can be applied to decision-making at a local level, which builds social capital, builds communities, engages and empowers citizens. This was explained by one case study council respondent that local community is an untapped and under-utilised resource and opportunity for community engagement. This respondent identified the lesson council has learnt from poor community engagement which resulted in poor decision-making.

This respondent also highlighted that council had in the past initiated too many community projects without community consultation, and now recognised that community feedback has helped shape council policy around issues of socio-economic development.

In this context, another respondent identified this approach requires a change of culture within the institution of local government, at both operations and governance levels. This notion is evident in the results where some case study council respondents demonstrate they are risk-averse to cultural change within local government as suggested by Jones et al. (2011), because they perceive their role should be maintained as one of traditional top-down government and governance (Worthington and Dollery, 2002).

By comparison to local government, social enterprises emerge from community of place as social change agents and as significant players in community development, involving different types of stakeholders in their membership (Brouard et al., 2015). Results identify that case study social enterprises are established because of community needs, and it is this social deficit which determines the unique agenda and social mission of each case study social enterprise. However, while results demonstrate social innovation and entrepreneurship of each social enterprise to tackle social needs (Campbell, 2011, Chell, 2007), it is also evident that the establishment of each social enterprise is more responsive to community needs rather than being organisationally strategic.

Chapter two canvasses that social enterprises see community as a resource to solve local socio-economic issues, by engaging with community members as stakeholders, participants and owners and utilising local knowledge and experience in this process (Laville and Nyssens, 2001, Defourny and Nyssens, 2006, McNeill, 2009, Campbell et al., 2011). Results demonstrate the reliance by social enterprises on stakeholder participation, particularly in the form of volunteers at all levels of operations and management. Results clearly demonstrate a bottom-up community engagement process by case study social enterprises, a process which Eversole (2015) suggests is actively driven by local communities in a specific place and community context.

It is evident from the results that community context also influences each social enterprise agenda. In this regard it is also evident that each case study social enterprises does not share the same contextual agenda or social mission. However, results demonstrate that the activities of all case study social enterprises have commonly established an enabling environment for individuals

and communities to achieve local social or community development outcomes (Brouard et al., 2015). It is evident from the r that case study councils and case study social enterprises have different perspectives on community development, what it is and how it can be achieved.

Community development scholars canvass the notion that the process of community engagement undertaken by local government is a mechanism to support community development initiatives (Cavaye, 2004, Demediuk, 2009, Moulder and O'Neill, 2009, King and Cruickshank, 2010). Results also identify that community development is a key role of local government in Tasmania and that in practice, case study councils have aligned community development and social investment under the one banner through standardised top-down philanthropic mechanisms, such as annual Community Funding Grants. However, as one respondent identified, councils do have a social responsibility to actually do some things for community, but only in the context of council's strategic community development objectives.

With regard to community development by local government, results demonstrate that case study councils weigh up their social responsibility against available financial resources to determine economic return on investment, rather than measuring social return on investment. Pike et al. (2006) argues that the role of community development by local government is related to the governance principles and strategic development values within local government, and which reflect the political systems and relationships between State and local governments.

On the other hand, community engagement undertaken within community by social enterprises is described as a reciprocal arrangement between participants and community, and which supports active citizenship to build communities and capacity of citizens (Lowndes and Wilson, 2001, Wiseman, 2005, Verity, 2007). This is strongly evident in the results where each case study social enterprise provides examples of trading activities within community to support each social mission.

Results clearly demonstrate that social enterprises are significant stakeholders and key players in the community development arena. Results also emphasise the influence of variations of organisational structure, management and social mission of case study social enterprises in relation to community development. However, in contrast to the community development perspective presented by case study councils, social enterprises consider community development as multi-dimensional and place greater emphasis on the process rather than

community development outcomes. For example, one case study social enterprise respondent offered opportunities to the broader community to build individual skills and capacity, particularly with a focus on health, education, training and employment. Another case study social enterprise respondent described the purpose of their organisation is to provide for an unmet need within the community for people with any form of disability as a service to community. These activities demonstrate that case study social enterprises take advantage of social and economic opportunities so as to create social change, through a process of innovation and resourcefulness along a continuum of business and social intentions (Douglas and Grant, 2014, Douglas, 2014).

Case study councils and case study social enterprises present different perspectives of community, community engagement and community development. It is evident that these differences influence community collaborations and agency partnerships, and these two concepts are the focus of the next subsection.

5.2.2 Collaborations and partnerships

Results demonstrate that case study council behaviour and attitude towards case study social enterprises has been influenced by three elements: interpretation of the social enterprise concept, knowledge of local social enterprise activities, and regulated community development responsibilities. Results also clearly demonstrate that community has been contextualised differently by local government and social enterprises, influencing what each has done [community engagement] and intended outcomes [community development].

Chapters three and four [Methodology and Results] identify that all case study social enterprises engage with their local council [case study councils]. For example, two elected representatives from the same case study council identified their role in the establishment of local social enterprises, their different service provision and revenue-raising methodologies. In each case, the arrangement between the social enterprise and local council is a semi-formal support arrangement; for one - seed funding for the establishment of the social enterprise, and for the other – in-kind support (business planning mentoring and provision of facilities).

Examples of formal relationships between case study councils and case study social enterprises are presented in Chapter four. For instance, one case study council has established two very different local social enterprises, and one is explained as a formal long-term business relationship

for the provision of health services and the second is less formal in the establishment of a small social enterprise to provide social interaction for community members. In this instance, each social enterprise described their relationship with their local council as distinctly cool.

Other case study councils have formal short-term partnerships with local social enterprises, but not from a committed business relationship perspective. One case study council identified an arrangement to provide in-kind support for two annual events, which this council acknowledges as providing greater financial return to the local community and the region than any local business. This case study council also emphasises the importance of maintaining this relationship as a mechanism for building and growing these events at an operational level. Barraket et al. (2012) suggests that these events are a form of social enterprises because they have produced a range of social, economic, environmental and cultural benefits for the region.

Another case study social enterprise explained that its relations were comfortable with the local council, but did identify that this council has had no role in social enterprise establishment nor has this council played any part in the development or growth of this enterprise. A further case study social enterprise expressed regret regarding the initial relationship it has with its local council, describing it as a crisis at that point in time. However, this case study social enterprise respondent went on to suggest that if the relationship had been more positive, there would have been considerable reciprocal gains made for the council, the social enterprise and the community. Four other case study social enterprises also expressed dissatisfaction regarding their relations with their local council, particularly in regard to funding support and a lack of respect by that council for volunteer contribution and successful socio-economic outcomes. What is more, as one case study social enterprise emphasised, there is a need to push hard for every bit of assistance from its local council.

These results highlight a lack of knowledge and understanding by case study councils of local social enterprise operations and even a possible lack of trust between case study councils and case study social enterprises (Bussing, 2002). In this context, the author has observed that a majority of the case study social enterprises initiated collaborations or relationships with their local council, primarily for funding support. This approach by case study social enterprises to case study councils did not identify reciprocal benefits between each entity, or benefits of any kind for case study councils. It is evident that these examples of collaborations or relationships between case study councils and case study social enterprises are not based on the commercial risk or

sharing and exchange which Kleinaltenkamp (2015) proposes underpin formal business relationships.

There is evidence from the results however, that one case study social enterprise has developed a semi-formal social procurement relationship with its local council, with the enterprise providing catering at an annual event. And despite this relationship, results also identify that this has not influenced the council to develop a social policy that incorporates social investment and/or social inclusion to consolidate this relationship between this social enterprise and local council.

It is evident from the results that some case study councils consider that any collaborations or relationships between themselves and social enterprises should be maintained at arm's length, and some case study councils feel justified with this stance particularly because of the high expectation by some social enterprises for significant funding support from councils. Results clearly identify that case study social enterprises consider councils should be donors or an external funding source for enterprise operations, regardless of social enterprise competence and social mission consistency. However, Brandsetter et al. (2006) suggest that governments as funding partners, want guarantees of success and accurate and reliable accountability. This is highlighted in the results that identify case study councils are responsible for distribution of funds to community, and are reliant on internal financial procedures to support community funding initiatives and community development outcomes. Bradford and Kerr (2012) relate that community is where local government administers services etc. and it is this interaction that sets the scene for engagement between community and local government, which as Gaventa, (2006: 30) said: much depends on navigating the intersection or meeting point of the relationship.

From a different perspective, results identify that case study social enterprises have established collaborations and/or relationships with funding bodies and in one case, another similar social enterprise with the purpose of building knowledge and sharing knowledge (McKinlay, 2011, Eversole, 2015). Two other social enterprises partner with local Registered Training Organisations to deliver modules for certification. A fourth social enterprise is in discussion with national and international associations to develop a partnership agreement to support its future tourism aspirations. Similarly, two social enterprises located within the same municipal area, have developed a reciprocal working relationship between themselves by sharing skills and expertise, despite having different social missions. Results identify that the remaining two social enterprises

operate in isolation and have not developed any sort of relationship with related associations or other similar social enterprises.

To determine whether case study social enterprises have any sort of relationship with other levels of government, each enterprise was asked whether it had access to any funding streams from local, State or Federal governments and do they fill any service delivery gaps for these levels of government. Results present a variety of funding stream support mechanisms, including philanthropic sponsorship from the Myer Foundation, disability support worker funding, and seed funding. This support Andrews et al. (2008) and Kain et al. (2010) suggest, is a mechanism to promote effective citizenship through participation and partnership. Not all case study social enterprises fill service delivery gaps, but the most notable are two case studies that fill primary health care gaps in local communities.

The question put to case study social enterprises about a future relationship with local council generated a variety of responses, ranging from frustration, dissatisfaction to being happy with the relationship with local council. For example, some respondents expressed frustration that local councils has not kept in step with the needs of their enterprises, others expressed dismay at the lack of acknowledgement for doing a really good job or respect for volunteer participation in the enterprise and contribution to community health and well-being. However, another respondent expressed a wish to just allow them to get on with it. Aars and Christensen (2013: 371) emphasise the voluntary organisations are crucial in: tying communities together and creating trust and cooperation between citizens.

This raises the question regarding the level of trust between local government and social enterprises, particularly as results demonstrate social enterprises prefer autonomy but expect unquestionable funding support from local government. It is evident from the results that case study councils are distrustful of this expectation. This lack of trust may manifest in reduced willingness by local government and social enterprises to take steps towards effective collaborations and partnerships between the two organisations (Gillespie and Dietz, 2009). Literature emphasises that trust is integral to the success of any relationship, and will only be confirmed when there is acknowledgement of what each can positively contribute to benefit the relationship (Vangen and Huxham, 2003, Welter and Kautonen, 2005, Gulati and Nickerson, 2008, Lamothe and Lamothe, 2011, Bachmann and Inkpen, 2011). However, there is some evidence of good working collaborations between case study social enterprises and case study councils where

they have established informal arrangements with reciprocal benefits and where they wish to continue sharing skills, knowledge and expertise on an as needs basis.

This subsection provides a broad insight into collaborations and relationships between case study social enterprises and case study councils, in particular emphasising tensions at the interface of these relationships. It is evident that case study councils and case study social enterprises already collaborate on differing levels and for different reasons. It is also evident that the perceptions each have of each other has coloured these relationships and influenced local government's response to expectations for commitment and support of social enterprise activities and social mission. This next section considers the value proposition of each organisation within community, and discusses potential opportunities for greater more effective collaboration between these two organisations.

5.3 LOCAL GOVERNMENT AND SOCIAL ENTERPRISES: A TERRAIN FOR COLLABORATION

The main thrust of this research study is to determine if there are grounds for the establishment of collaborations or relationships between local government and social enterprises in Tasmania. The discussion so far has emphasised the role and responsibility of local government in Tasmania, and further the challenge for councils to rethink holistically on how they engage with community to meet contemporary and emerging community needs. Similarly, the discussion highlights the role of social enterprises in community as agents of social change, and as actors in the community development arena. Chapter four also highlights a shift towards community as a new collaborative governance arena which places emphasis on the possibility of cross-sectoral collaborations between local government and social enterprises as a mechanism to solve local socio-economic issues. This next subsection captures the value of local government and social enterprises in Tasmania.

5.3.1 Capturing value creation

To give a clearer picture of value creation by case study councils and case study social enterprises, a comparison has been made by looking at the purpose of local government and social enterprises within community. In the context of value creation, results demonstrate that case study councils deliver value through governance and stewardship within judicially defined municipal areas. This

governance and stewardship is identified by Grant et al. (2014) as creating public value in the broad sense of something created for the common good of citizens and community. Results present opinions of two case study council respondents that councils are the level of government that can generate the biggest social impact for community, however, this requires innovation and understanding of what needs to be done. By comparison, results demonstrate that case study social enterprises focus on social change and social value creation through the pursuit of revenue generation in the market place so as to achieve social goals (Di Domenico et al., 2010). These examples reflect the proposition by Alford and O'Flynn (2008) that public sector organisations must aim at creating something that constitutes public value, be legitimate and attract support from the authorising environment [government and community], and be operationally and administratively feasible. Public value emphasises what is important to citizens of a local community. However, case study social enterprises also demonstrate that their activities generate community value by building a sense of community which is identified in geographical and relational settings (Obst, 2004). Obst explains that community value is the psychological connection to community through the fulfilment of needs in a relational community. Therefore, public value and community value connects both local government and social enterprises to community and place.

Results demonstrate that both case study councils and case study social enterprises connect with community and place, to shape place and create a sense of place, but with different approaches and from different perspectives. Chapter two highlights that place-shaping and a sense of place fit with the civic responsibilities of local government to develop and maintain the planned environment of community, in particular to create attractive, prosperous and safe communities. Pike et al. (2006) identifies that while this civic leadership approach to place-shaping is top-down, it creates public value by addressing both infrastructure and community needs at the same time. On the other hand, results reflect that case study social enterprises shape people to shape place, but with a collaborative bottom-up approach of active citizenship, which creates community value by building social capital and community capacity (McMillan and George, 1986, Cuthill, 2003, Obst, 2004).

Case study social enterprises also demonstrate that they create both social value through community engagement and community development activities and economic value through earned income to support social mission, thereby creating public benefit. Chapter two canvasses that these social enterprise activities also build community capacity, and provide real solutions to

local socio-economic problems, thereby creating public value (Defourny and Nyssens, 2008b, Barraket and Archer, 2009, Eversole and Eastley, 2011, Social Traders, 2014, Eversole, 2014). Social Enterprise Network (2006: 251) emphasise the importance of value creation and states:

... outcomes, not just intention and activities matter; and ... value is created every time needs are met.

While the role of local government is one of civic leadership, service provision and corporate governance, it is evident that case study council activities do not generate economic value, nor do case study councils rely on the social capacity of citizens to build social capital. Conversely, despite the evidence of successful socio-economic outcomes created by case study social enterprises, this is not acknowledged by case study councils as of public value.

However, some case study council respondents suggest that the future of local government lays in developing better understanding and connections with local communities. Results highlight connections with local communities through community development activities by both case study councils and case study social enterprises. However, Vogt and Binns (2005) argue that community development cannot be imposed on communities, rather it should be created collectively by community members from within the community. For example, the collaboration with local community by one case study council to develop a 25-year Community Plan demonstrates a clear intent to build long-term sustainability and community capacity. Accordingly, results also demonstrate that case study social enterprises build social capital and community capacity through social innovation and entrepreneurship activities to facilitate social change. Despite case study social enterprise community development activities, results highlight that these activities do not demonstrate plans for continuity, short-term or long-term.

Literature emphasises that social innovation and social entrepreneurship are prominent mechanisms for social change within local community, creating value where opportunity arises for enterprise activities to satisfy unmet social deficits (Kury, 2012, and Shockley and Frank, 2011). And it is evident from the results that case study social enterprise activities have significantly benefited local communities, which as Campbell (2011) suggests demonstrate connection between citizen-initiated enterprise activity and meeting local socio-economic needs. However, it is also evident that case study councils do not acknowledge the value of case study social enterprise social innovation or entrepreneurship activities. This is despite some case study council respondents suggesting that community is a resource for solving local issues. However, it

is equally evident that most case study council respondents do not identify the social innovation or entrepreneurship activities by case study social enterprises as integral to place-shaping or community development from their perspective.

Aars and Christensen (2013) present another perspective of public value, in particular the notion of the value of local citizens becoming involved in associational life as volunteers. The author considers that while associational life is contextual, results demonstrate that case study social enterprises encourage participation and socialisation within enterprises, which builds internal organisational capacity to achieve organisational outcomes. What is more, Chapter two canvas that social enterprises create blended value by generating economic value alongside social value (Defourny and Nyssens, 2008b, McNeill, 2009, Social Ventures Australia, 2012). It is evident from the results that possible inter-organisational blending of value, particularly between local government and social enterprises has the potential to create a synergy that creates reciprocal socio-economic benefits for both organisations, but more importantly for the whole community.

What is more, Noya and Clarence (2008) point out that the self-organising activities of social enterprises are embedded in local communities fostering local social inclusion. Results highlight that this approach has enabled and empowered community members to draw on existing knowledge, share skills and knowledge, and foster community resilience, through their own commitment and actions. Results demonstrate that all eight case study social enterprises have developed a social inclusion model that characterises participation, knowledge sharing and ownership by stakeholders (Young, 2001). As an example, one case social enterprise has engaged over fifty volunteers, each with a common passion for “giving back to the community more than just dollars”.

Eversole and Eastley (2011: 3) identify that 57% of Tasmanian social enterprises rely on volunteers with an average of 23 volunteer workers per social enterprise, and what is more, they are the primary stakeholders in building social capacity and social capital. McKinlay et al. (2011) identify that case study social enterprise volunteers also participate in the process of community governance and decision-making, which gives participants ownership of social enterprise processes and development outcomes. Chapter two also refers to volunteer participation as a resource of expertise and labour, and as a resource that creates knowledge partnering as a mechanism for community development (Eversole, 2015).

Results present case study councils and case study social enterprises as agents of place for people and community, shaping place and creating a sense of place, each playing key roles within community that ideally support local community development. The discussion in this subsection emphasises that community is the nexus and common factor between case study councils and case study social enterprises. In support of this, Chapter two presents the notion that community is not just a place aligned with spatial/geographical properties of landscape, but it is the values and sense of place (place dependence) individuals and groups (including communities) attribute to a location, that all build public value for local community (Wardner, 2012, Kyle and Chick, 2007, Wazeem, 2008, Verity, 2007, Winter and Freksa, 2012, McMillan and George, 1986).

Results strongly emphasise the value, public and social, created by both case study councils and case study social enterprises. This suggests potential for collaborations or relationships between these two entities that increase value for community, and the next subsection focuses on opportunity and potential of these collaborations or relationships.

5.3.2 Collaborations, relationships: opportunity and potential

Chapter two suggests that relationships require the application of the philosophy of connection, commitment, cooperation and trust and the behavioural intentions of participants (Kleinaltenkamp et al., 2015). Kleinaltenkamp et al. also emphasise that participants have expectations from relationships, and that benefit of any relationship is at risk if expectations are not met. This suggests that participant expectations establish the purpose of relationships, and that connection, commitment, cooperation and trust influence the sustainability and outcomes of relationships (Anheier and Kendall, 2000).

Discussion has highlighted the variety of relationships case study councils already have with other levels of government, with other councils, with other regions, with community (groups and individuals); and that these relationships all have a different purpose. Earlier discussion also highlighted that the primary purpose of local government's relationship with community is service provision to support everyday wellbeing of citizens together with community and economic development (Morosan, 1995). Further to this, Kleinaltenkamp et al. (2015) propose that this relationship between local government and community is not for social exchange, nor is it to promote customer loyalty. However, it is evident from the results that case study councils have identified an element of public expectation in this relationship, which significantly influences

this relationship and relationship outcomes and places emphasis on local government meeting socio economic needs and building community capacity (Dollery et al., 2003).

Earlier discussion also highlights that case study social enterprises engage with community creating a unique relationship with the purpose of addressing local social deficits within that community. The author has observed that results present the notion of case study social enterprises having three different relationships with citizens and community. Firstly, all case study social enterprises engage citizens of community into their organisation as a human resource to support entrepreneurial activities either as volunteers or paid employees, and to interact within an internal social network (Anderson et al., 2007). Secondly, results identify the relationship between the case study social enterprises and community, are established through enterprise activities to build community (and individual) capacity and create social change. Thirdly, results demonstrate the purpose of the relationship between the case study social enterprise and community is primarily a business relationship to promote customer loyalty and generate income to support the social mission (Kleinaltenkamp et al., 2015).

Results highlight a variety of reasons for the establishment of collaborations or relationships between case study councils and case study Social enterprises. Alford and O'Flynn (2008) conceptualise the purpose of a relationship is a collaborative process of centralising purpose and value together. Eversole (2015) also argues that the purpose of organisational partnerships is in the context of what resources and influence each partner brings to the table. In this paper, Eversole raises an interesting question: *do these create power inequities that need to be addressed?* Eversole (p.81) emphasises that an effective partnership with reciprocal benefits: will occur when strategic logics, notional logics, and relative power are aligned.

Chapter two reflects that there has been limited academic research into the nature and extent of collaborations or relationships between local government and social enterprises. However, the author perceives that opportunities and potential that may be gleaned from collaborative and cross-sectoral relationships, including formal and informal partnerships, particularly relationships between local government and social enterprises are many. Firstly, Chapter two suggests increasing the level of community engagement between local government and community organisations (eg social enterprises) with an aim to build relations or relationships that encourage community participation (Aulich, 2009). Secondly, this increased level of community engagement, will provide citizens with capacity building and decision-making opportunities in shaping place to

create a sense of place, locally (McKinlay et al., 2011). What is more, results demonstrate that local government partnerships with other stakeholders such as social enterprises is an investment in localism and place-shaping by providing local government with local knowledge, skills and expertise to undertake specific projects and fill service delivery gaps (Lyons, 2007). Furthermore, partnerships (collaborations or relationships) between local government and social enterprises enable cross-pollination of networked knowledge to build social capacity and social capital within community. Finally, the collective impact of partnerships between local government and social enterprises will provide legitimacy to relationship purpose and encourage greater support and social investment from other sectors, including other levels of government (Ferguson, 2009).

Identifying the benefits of relationships and partnerships between local government and social enterprises reveals a terrain for future collaboration between these two organisations. It is evident that the potential to meet unfilled gaps in local government service delivery provides opportunity for growth of social enterprises, and growth of service delivery capacity of local government. From this discussion, the author considers that blended value creates an untapped synergy of benefit for local government, social enterprises and community, therefore it is an important concept for consideration in the development of collaborations or relationships between local government and social enterprises.

5.4 SUMMARY

The answer to the key questions of this study are summed up as follows:

The question about challenges and trends shaping the future of local government in Tasmania is an important aspect for understanding the contemporary role of local government. The problem of case study councils being bureaucratic institutions embedded in a framework of traditional governance and governance has hampered the possibility of governance innovation, in particular how it engages with community. This is evident in case study council participant responses relating to social policies, in particular social procurement and social inclusion, as development of such policies are considered to be of low priority.

Case study councils perceive local government in Tasmania is underestimated by other levels of government and community, but respondents acknowledge that community is a potential resource for sustainability of local government. This chapter has attempted to explain the nature

of case study councils' relationship with community, particularly its role in community development. However, it is evident from this discussion that case study councils do not have a broad understanding of the complex socio-economic issues emerging from local communities.

This chapter identifies social enterprises as key players in the community development arena as agents of place and social change agents. Despite the lack of a strong definition to explain the social enterprise concept, it is evident that social innovation and entrepreneurship activities of case study social enterprises support social missions. It is also evident from the discussion that both case study councils and case study social enterprises have low-level understanding of the social enterprise concept, and therefore this continues to be problematic in terms of explaining relationships between the two organisations.

This discussion also gives attention to how case study councils and case study social enterprises engage with community as agents of place to shape place and create a sense of place, but from very different perspectives. It is evident that community is the common factor and nexus between case study councils and case study social enterprises, but it is also evident that collaborations and relationships between the two entities lack coherence. What is more it is evident that existing collaborations or relationships are fraught with tension. Despite what resources and influence each entity may contribute to the collaboration or partnership, Eversole (2015) suggests that power inequities may influence partnership processes and outcomes because relative power is not aligned. Case study social enterprises opt for autonomy of operation and governance, and case study councils feel it is not a council role to participate in cross-organisational partnerships to support local social investment.

Case study councils demonstrate limited understanding of value (public and community) created by local social enterprises. This also continues to be problematic in identifying potential relationships between local government and social enterprises in Tasmania. However, local government in Tasmania is under pressure to reform, and this constitutes a rethink by councils on how and why it engages with community organisations, particularly other actors in the community development arena, such as social enterprises. Despite the evidence that case study councils already engage with case study social enterprises, and the similarities between local government and social enterprises, collaborations and relationships between these entities have not been developed to their full potential to benefit local communities.

CHAPTER 6: CONCLUSIONS

The Introduction of this thesis raised broader policy and practice issues around the local government and social enterprise interface. In the context of research findings and the literature canvassed in Chapter two, I draw on a range of conclusions.

The thesis has presented an account of the top-down governance role local government plays in place-shaping and the bottom up community governance role social enterprises play in community development within the small island of Tasmania. Using a case study methodology and qualitative research approach, the thesis has constructed participant reality gathered from different perspectives and points of view about the characteristics and roles of case studies – local government and social enterprises in Tasmania. It highlighted the nature and structures of relationships between case study councils and case study social enterprises, and demonstrated that community is a common factor and an important nexus between these two organisations. Why then, given similarities between local government and social enterprises, there is not more of a well-developed set of relations? In this context, this study seeks answers to the following primary question: ***What is the value proposition of a relationship between local government and social enterprises in Tasmania?***

6.1 THE CONTEMPORARY ROLE OF LOCAL GOVERNMENT

This study has showed that local government in Tasmania operates within the turbulent and uncertain local and global environment (Department for Communities and Local Government, 2006, Lyons, 2007, Evans et al., 2012, Australian Local Government Association, 2016, Martek 2016). Despite this complex environment and push for reform (Local Government Association of Tasmania and Tasmanian State Government, 2014), local government in Tasmania remains fixated on traditional ways of governance and civic leadership. Alternate notions of governance and civic leadership (Gaventa, 2006, Adams, 2008, Aulich, 2009, Brackertz, 2013) have been slow to take root in Tasmania. This is based on the belief by local government in Tasmania that this would result in a loss of strategic influence and locus of authority for councils which respondents consider is a traditional entitlement as the third tier of government.

The concern regarding cost shifting from other levels of government is well documented in Chapter two (Dollery, 2011, Aulich et al., 2011). Similarly, this study highlighted the concern by

case study councils regarding what is perceived as the underhanded devolution of responsibility and cost shifting from other levels of government, exacerbating effective and sustainable governance and stewardship of municipal areas (Kettl, 2000). Recognising this theme of devolution (Brackertz, 2013), this study has highlighted the significant push for reform of local government by the Tasmanian State government (Local Government Association of Tasmania and Tasmanian State Government, 2014) as a mechanism to improve governance and community engagement (Buser, 2013). This study has illuminated the consequential relationship between local government and other levels of government, but it is the tension between case study councils and Tasmanian State government that is of concern for case study councils. This tension is evident because of the imposed reform process by the Tasmanian State Government which case study councils considered lacked clear direction, support and resources for effective adoption and implementation by local government.

Insights from this study indicated other factors play a key role in creating tensions between local government and the Tasmanian State Government. Firstly, local government literature identified that the Tasmanian State government has in the past been highly critical of local government in Tasmania (Munro et al, 2011, Tasmanian Government, 2013, Local Government Association of Tasmania and Government, 2014) and does not relate to local government as a legitimate sphere of government. In contrast, local government literature implied the importance of local government as an agent of place, but does not provide empirical evidence of this or how well it does its job (Ryan, *et al* 2015). It is also evident from the study that the Tasmanian *Local Government Act 1993* constrains local government diversification and innovation to build sustainability. Despite this, this study has showed that case study councils understand a need for an improved relationship between local government and State government in Tasmania, and emphasised the need for time to review itself in an endeavour to reframe the future of local government.

6.2 THE MULTIDIMENSIONAL ROLE OF SOCIAL ENTERPRISES

In the case of community governance, especially local community governance (Lowndes and Wilson, 2001, Barraket, 2012), the primary actors in this study are local social enterprises within Tasmania. Social enterprise literature implied three foundational ideas of the origin of social enterprise. One is embedded in the history of social welfare (Deforny and Nyssens, 2008a), the second is grounded in local community development (de Sardan, 2005), and the third is strongly

aligned to economic or business innovation and entrepreneurship (Braun, 2009, Madill and Ziegler, 2012, Social Traders, 2014 and 2016). The characteristics of the third idea canvassed by Social Traders (2014 and 2016) are dependent upon formal business arrangements, developed and utilised to develop the capacity of social enterprise human resource and support the social mission and sustainability of each social enterprise. This study has highlighted that these three foundational ideas mutually cross a wide spectrum of organisational possibilities, creating difficulty of organisational definition and sectoral classification (Eversole, 2013). These foundational ideas are central to the debate around social enterprises, and it is concluded that the definition of social enterprise as canvassed in Chapter one does actually hold.

This study has showed that social enterprises are a result of community self-organisation and community leadership which utilises intentional and responsive social intervention activities to address local social deficits (Dey, 2014, Duniam and Eversole, 2016). While this demonstrates that these social enterprise activities are arguably different from the civic leadership and governance activities of local government, it is also evident that social enterprise activities improve quality of life for citizens, which reinforces the role of social enterprises as agents of place (Social Ventures, 2012, Social Traders, 2014 and 2016). However, this study has also highlighted that while social enterprises are agents of place, this is a consequence of activities, rather than an intended outcome. Therefore, if this economic and social impact is better understood, the role and function of social enterprises are more likely to attract support from government, the private sector and communities.

6.3 COMMUNITY DEVELOPMENT AND PLACE-SHAPING

Chapter two outlined the views of Massey (2004), and Dollery et al (2010) that local government conceptualises space and place within the framework of its political position. This study has demonstrated that the knowledge local government has about community reflects a limited understanding of other notions of community, for example, community of place and (Winter and Freksa, 2012). This study also demonstrated that the notion local government has of community is limited by its long-established civic leadership role of governance and community development (Lyons, 2007, Grant and Dollery 2007 and 2010, Hambleton, 2011). Community development is seen by case study councils as a social investment responsibility rather than a social capital building process (Barraket, 2009, HM Government, 2014). What is more, this study has highlighted that case study councils regard social policy development (including social inclusion

and social investment) is of low priority (Albareda et al., 2008). While this evidence raised questions about whether local government does in fact clearly identify and understand on the ground community needs so as to tackle the complex socio-economic issues emerging from local communities, there is some evidence to the contrary highlighting that local councils have the opportunity to generate the biggest social impact for community.

By comparison, this study showed that knowledge and understanding of on the ground community needs is the foundation for establishment of these local enterprises, including location, business and governance model. This knowledge of place and community was articulated by social enterprise case studies into a social mission, and is similar to the ideas proposed by the Social Enterprise Knowledge Network (2006) and Madill and Ziegler (2012), thus creating a target for social change within local community and an engagement framework of community governance.

This study presented evidence that local government acknowledged a need to play a greater social interventionist role in meeting local community development needs (Taylor and Zenkteler, 2016, Ombler et al. 2016). This paradigm shift as canvassed by Dollery et al. (2008) and Jones et al. (2011) demonstrated consideration by local government of reshaping its governance role to incorporate broader community engagement in the local social economy. By comparison, this study has highlighted that social enterprises see community development as a process of social intervention, an opportunity for social change, or reshaping/developing of community that increases both local social capacity and local social capital.

It is evident from the study that these different approaches by local government and social enterprises are grounded in the principles and value judgements of each organisation, and reflect the type of community development considered appropriate and actioned. In particular for local government, these principles and values are reflected by political systems that influence local government decision-making and the relationships between agencies of power (State and local governments), civil society and public, and are identified as not being wholly autonomous to act and decide their own course of development (Hearfield et al., 2009 and Dollery, 2011).

This study has highlighted that the role of social enterprises within community is less symbolic than that of the institution of local government, and more pragmatic in its community development approach. As a key writer on ideas of social enterprises Barraket (2012) identified factors which demonstrated social enterprises also create alternative governance mechanisms to

support their activities, and more specifically facilitate community governance where responsibility for the decision-making process to manage the organisation effectively rests primarily with volunteer participants. Social enterprises see volunteers as a local knowledge resource that contribute through knowledge partnering and participation to build internal capacity of the enterprise and external capacity of community of place (Eversole, 2015).

This study has showed us that community of place is where local government and social enterprises play in the community development and place-shaping arena. In both the literature and from the case studies, local government saw community place-shaping as both a top-down civic leadership role and a platform for structured reform of local government, particularly how it engaged with community. In contrast, the bottom-up place-shaping approach by social enterprises shapes people by engaging participants, primarily volunteers, to build social capacity and social capital. This demonstrated that social enterprises focus on the process of developing community and shaping place through its participants, where as local government focuses on the goal of place-shaping to create a sense of place.

There has been little academic interest in public value creation through social enterprises, and this research has illustrated the strength of social enterprises in their entrepreneurial responsiveness to finding local solutions to local issues, and suggested social enterprises have a potential role in community development partnerships with local government. While each contributed significantly to public value, it is clear from the results that the idea of cross-sectoral collaboration to provide local solutions to local problems is not yet considered an option by either local government or social enterprises.

The results from this research are important to scholars researching cross-sectoral relationships that create public value. They are also of importance to local government and social enterprise practitioners within the community development space. This study contributes to knowledge of both local government and social enterprises by developing a conceptual framework to guide analysis and understanding of the complexities and dynamics of existing relationships between these two diverse organisations. This study suggested further research to examine the potential of cross-sectoral relationships between local government and community organisations, such as social enterprises, as a strategic mechanism to resolve local social issues.

Furthermore, this study has showed us that the activities of both local government and social enterprises in Tasmania create a community asset of public value which makes a significant contribution to local sense of place. Together with public value, this study has also highlighted community value in the context of investment by social enterprises in social capital and social currency of local communities. However, it is also evident from this study that the phrase *community value* is underdeveloped, particularly in terms of understanding the collective value that a community network or social cluster places on the investment made by organisations such as social enterprises towards the socio-economic development of a local community.

6.4 THE POWER OF RELATIONSHIPS

In each of the cases it was identified that community is the common factor and nexus between local government and social enterprises, with each establishing beneficial relationships within community, but from different perspectives. Relationships between local government and social enterprises were also evident, with some demonstrating interdependent formal partnerships between the two organisations while other relationships ranged from informal, distant and spasmodic connections. This study has identified that these relationships were dependent upon purpose, and it was also clearly evident that case study councils demonstrated an arm's length approach to their relationship with social enterprises. Social enterprises were critical of the scope of financial support from case study councils, and the lack of acknowledgement by local government for the significant role social enterprises play within the local social economy and mainstream economic development. There is limited evidence from the study that local government or social enterprises have identified any reciprocal benefits between these two organisations, either as a purpose or a goal.

This study has explained that social enterprises operate autonomously, and despite this, it is evident that social enterprises feel a need for better and stronger reciprocal relationships with their local council. While there is evidence in the study of tension at the interface between local government and social enterprises, these interrelations require better dialogue for engagement between the two organisations as a mechanism to build mutual understanding, trust and cooperation among participants from both sides of the relationship (Lamothe and Lamothe, 2011).

6.5 COMMUNITY: A TERRAIN FOR COLLABORATION

As canvassed in Chapter two, Barraket and Archer (2009) and Aulich (2009) presented another perspective of community and identified that citizens of community have expectations that local government will deliver sustainable place-based solutions, and that citizens expect to have a say in their future. It was evident from this study that this concept of citizen participation presented a fundamental proposition that community has potential for real community development self-capacity and positive collective impact (Cuthill, 2003). This recognised the capacity of community and its citizens to self-organise as development actors within the social and mainstream economy, thereby demonstrating potential for collaborative innovation between community and local government to solve local social issues (Brown et al., 2003 and Herriman and Pillora, 2011). This also demonstrated potential and opportunity for community development actors, for example social enterprises, to fill service delivery gaps for local government as development partners (Dollery and Dallinger, 2007).

Chapter two also canvassed that the future role of local government is increasingly embedded in stronger community collaboration within community to build a sense of place (Local Government Association of Tasmania and Tasmanian State Government, 2014). Literature reflected this as a potential horizontal governance approach and cross-sectoral collaboration between local government and other development actors as an arrangement which must ultimately be operationally and administratively feasible providing reciprocal benefits to support active citizenship and build capacity of citizens and communities (Phillips, 2004). The notion of cross-sectoral collaboration between local government and social enterprises is construed as a solution which is accorded with the community development capacity of each organisation to solve local social issues (Ferguson, 2009). What is more, this cross-sectoral collaborative approach demonstrated the potential for meeting citizen expectations, and also demonstrated that building community and economic development within local communities requires community knowledge and capacity to deal with identified declining social and economic conditions (Googins, 2000). Therefore expanding this sphere of action through collaborations and partnerships between local government and social enterprises will strengthen capacity of local government and will also legitimise local government relationships with other levels of government and community.

This study has showed that local government has difficulties in meeting citizen expectations to solve emerging socio-economic conditions within local community, which intensify allocative inefficiencies in the role of local government (Dollery, 2003). However, local government has begun to assess its future role, particularly in the context of government to governance reform, and this is consistent with Dollery (2003). What is more, the outcomes of broader collaboration between local government and social enterprises will be more influential when local government realises that it will be citizens and communities who will legitimise or give social license to what local government does in the future.

This study has reconstructed the research questions and provided insight into the characteristics, operations and conditions of influence of both local government and social enterprises in Tasmania. The field of relationships between these two entities generated knowledge and understanding about their independent roles within community, but also identified the notion of potential interdependent relationships between local government and social enterprises in Tasmania. Significant ideas have emerged from the study, broadening knowledge and understanding of each organisation in particular placing emphasis on the value each entity contributes to community through place-shaping to create a sense of place. The value of each entity both impacts on and influences community capacity and development, which through focus on ideas of shared learning [knowledge partnering] and horizontal networking [community governance] develops building blocks for innovation and collaboration to achieve improved community socio-economic health and wellbeing, community growth and sustainability.

Of all the conditions for community development, community presented the greatest opportunity for social innovation and social transformation. The idea of community as a terrain for collaboration between local government and social enterprises resonated with local government social policy formation and implementation which results identify as both crucial and a key instrument in building community capacity and social capital, together with foundations of health and well-being of community of place (Albareda et al., 2008, Brackertz, 2013).

Despite the usefulness of evidence within this study, the choice of case studies in Tasmania introduced some limitations to the study. The focus on local government and social enterprises on the small island of Tasmania may limit generalisability and applicability of the results across Australia. Therefore, there is an evident need for further research to deepen understanding of

the relationship between local government and social enterprises in other local government areas of Australia and beyond.

This study has contributed to the evidence base around relationships between local government and social enterprises by providing an empirical analysis of local government and social enterprises in Tasmania, their roles in community, with a focus on community as a potential terrain for collaboration. In conclusion, the value proposition of a relationship between local government and social enterprises in Tasmania is that local government and social enterprises are a source of collective value and this presents an opportunity for collaboration for collective social and economic impact to build assets of collective community value.

6.6 IMPLICATIONS FOR FURTHER RESEARCH

This paper has important implications for understanding the challenges of the contemporary role of local government, in particular building a system of local government that combines societal roles in local governance. Local governments that encourage participatory governance may reinforce local social and economic sustainability. The following points summarise research propositions that have emerged from this study:

1. Replication of the study in other jurisdictions to assess whether transferrable.
2. In-depth analysis of why there is such a low attraction of the idea of social enterprises in local government.
3. Exploration of cases where new ideas have been readily adopted in local government to understand why the idea of social enterprise may be so problematic.

In summary, this thesis has contributed to a new understanding of both the potential and positive significance of social enterprises as a foundation for a redefinition of the role of local government and how it can co-create value. This study has also demonstrated that ideas alone are not sufficient to change embedded structures and ways of thinking of councils in local government.

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ONLINE SUPPORT RESOURCES, ARTICLES AND BLOGS

<http://apo.org.au/research/building-social-enterprise-through-social-procurement>
<http://www.civilsociety.org.au>
http://www.csi.edu.au/topic/Social_entrepreneurship_and_social_innovation.aspx
<http://cloudcomputing.sys-con.com/node/2332859>
<http://www.coopdevelopment.org.au/communityenterprises.html>
<http://socialeconhomyhub.ca/>
<http://www.emes.net/index.php?id=203>
http://www.parracity.nsw.gov.au/work/doing_business_in_parra/social_enterprise
<http://www.sse.org.au>
<http://www.socialeconomyNetwork.org/>
<http://www.socialventures.com.au/employment/social-enterprise-hubs/>
<http://www.emeraldinsight.com/products/journals/journals.htm?id=sej>
<http://www.socialenterprisemagazine.org/>
<http://www.lgcplus.com/section2.aspx?navCode=2047>
<http://www.melbourne.vic.gov.au/enterprisemelbourne/industries/socialmicro/Pages/SocialEnterpriseMicroBusiness.aspx>
<http://www.socialenterprise.org.uk/advice-support/resources>
<http://www.socialtraders.com.au/library/australian-research-papers-evaluations-and-research-progress>

Other websites (Australian and international) accessed present current related articles / blogs and debating issues for social enterprises and their relationship with local government:

<http://www.guardian.co.uk/local-government-Network/2011/Jan/31/local-government-third-sector-services>
<http://bsr.london.edu/lbs-article/430/index.html>
<http://www.probonoaustralia.com.au/news/2011/02/community-benefit-clause-signals-new-opportunities-social-enterprises>
<http://www.guardian.co.uk/local-government-Network/2010/nov/15/from-public-sector-worker-to-private-sector>

http://blogs.deloitte.co.uk/responsible_business/2013/2/06/social-enterprises-need-councils-to-rethink-commissioning-models.html

<http://www.guardian.co.uk/local-government/Network/2011/may/25/council-resources-engage-social-enterprises>

APPENDICES

APPENDIX 1: UNDERSTANDING THE RELATIONSHIPS BETWEEN LOCAL GOVERNMENT AND SOCIAL ENTERPRISES IN TASMANIA: PILOT STUDY WRITE-UP: 21st August 2013

Introduction

Although it has already been identified that social enterprises exist in all twenty nine local government areas of Tasmania (Eversole and Eastley, 2011), the aim of this study is to examine:

- a) The extent and nature of relationships between social enterprises and local government; and
- b) The value of these relationships to local government in place-shaping.

The scope of the study is to gain familiarity and insights into the relationship between local government and social enterprises through a form of systematic qualitative enquiry. The first phase of this study is a brief eSurvey distributed by the Local Government Association of Tasmania (LGAT) to the General Managers of all twenty nine councils, seeking their input by responding to 10 indicative questions. These questions will provide sufficient data that suggest the existence or non-existence of a relationship between local government and social enterprises. The eSurvey has been developed on Survey Monkey ©, with the title *Understanding Relationships Between Local Government and Social Enterprises in Tasmania*. The format of the survey included the preamble:

This survey aims to collect information from local government in Tasmania of any relationship between local government and social enterprises. A report on the findings of this survey will be distributed to all councils in September. This will give a deeper understanding of social enterprises and how they could assist councils in developing policy, identifying opportunities and risks with community groups in the social enterprise sector and measuring social enterprise contribution to local economy and community development.

We define social enterprises by their ‘mission to generate social and community benefit’ and using ‘trading activities to fulfil that mission’ (Eversole and Eastley, 2011)

If you require further information or would like assistance in completing this survey, please do not hesitate to call me on 0408 126 066 or email Mary.Duniam@utas.edu.au or contact Associate

Professor Robyn Eversole (Director, Institute for Regional Development, IUTAS) by email Robyn.Eversole@utas.edu.au or phone 6430 4519.

This was followed by the Questions:

1. Council Name (comment box provided)
2. Does your council collaborate with or work with community organisations that fit the definition of social enterprises (they conduct regular business or trading activities in order to generate social or community benefit)?
 - a. Yes
 - b. No
 - c. Not applicable
 - d. Comments (comment box provided)
3. If YES, in what specific ways does your council work with social enterprises? (Choose all that apply)
 - a. council-owned
 - b. Partnership
 - c. Shared service delivery
 - d. Shared ownership (Cooperative)
 - e. Supplier / procurement arrangement
 - f. Financial support (grant, loan, direct investment etc.)
 - g. Infrastructure support (facilities and/or equipment)
 - h. Developmental / mentoring support
 - i. Consultative relationship
 - j. Other (please describe) (comment box provided)
4. In what areas do these social enterprises work? (Choose all that apply)
 - a. Culture and leisure (e.g. café, aquatic centre)
 - b. Family support (e.g. child care, youth services, recycled clothing)
 - c. Health support (aged care)
 - d. Environmental (e.g. waste recycling / Tip Shop)
 - e. Education (e.g. training)
 - f. Not Sure and/or Other (comment box provided)
5. What benefits does this relationship generate for council and/or the broader community? (Choose all that apply)
 - a. Additional services

- b. Community and social benefit
 - c. Employment / work integration / volunteering
 - d. Training opportunities
 - e. Disability employment opportunities
 - f. Community engagement
 - g. Community innovation
 - h. Community entrepreneurship
 - i. Community development
 - j. Other (please specify) (comment box provided)
6. Does your council have any policies related to social enterprise? Please tick any that apply
- a. General social enterprise policy
 - b. Social procurement policy
 - c. Reference to social enterprise in community support grant guidelines
 - d. No policies
 - e. Other (please specify) comment box provided
7. Is your council interested in developing social enterprise polic(ies)?
- a. Yes
 - b. No
 - c. Comment / other (comment box provided)
8. If YES, in what area? (comment box provided)
9. If NO, is it something your council may consider in the future? Please comment (comment box provided)
10. We would appreciate any further information you may wish to make? (comment box provided)

All questions in the above survey are closed questions so as to give a clear indication of relationships between local government and social enterprises. In this instance, it was considered that open-ended questions may have required interpretation of possibly compound responses, or even computation of average responses to achieve an understanding of relationships between local government and social enterprises.

Reasons for pilot study

One important aspect to consider in the development of this survey was the language. Terms such as *social enterprise* may be common and/or unique amongst practitioners in the field, but

may cause barriers to communication because of unfamiliarity to respondents. A brief but broad definition was provided in the preamble, and again in Question 2. It was also important to ensure that the types of questions, syntax and content were clear and unambiguous, as these are essentially the groundwork for more extensive interview questioning in Phase 2 of this study. The intent of this pilot study was to also provide a sense of whether the questions related to the aims of the study and were relevant to the respondents. The pilot study assessed the framework of the eSurvey questions, allowing the collection of useful background information from participants, which contributed to the validity and reliability of the instrument under review.

Approach

The approach to this pilot study was to randomly select 3 local councils to respond online to the eSurvey. Phone and email contact was made with the General Manager (Burnie City Council), the Executive Manager Organisation and Community Development (Waratah-Wynyard Council), and Manager of Governance (Devonport City Council). General Managers from Waratah-Wynyard Council and Devonport City Council were unavailable at this time. The URL for the eSurvey was emailed to each participant, with the request that verbal feedback be provided to me and documented as field notes at the time of completing the pilot study survey. This procedure lasted approximately 15 – 20 minutes, and resembled a conversation rather than a structured interview.

Results of Pilot Study

This eSurvey was viewed as the 'real deal' by participants and refinements suggested as follows:

The preamble – considered adequate, but 2 respondents suggested that with the definition of social enterprises, examples should be provided, which would be particularly relevant to Question 4.

Question 1 – no suggestions.

Question 2 – This question requires only one answer and the comment box is redundant in this context, and should be deleted.

Question 3 – required no amendment, though one respondent sought clarification regarding 'supplier / procurement arrangement'. This was discussed in terms of social procurement with an example such as waste recycling.

Question 4 – No suggested amendments, however one respondent emphasised the need for examples of social enterprises, which would assist in identifying areas these social enterprises work.

Question 5 – No suggested amendments.

Question 6 – No suggested amendments and all commented that Question 6 was a good question.

Question 7 - All respondents made recommendations that this question list the policies (as in Question 6), and to include a 'general social enterprise policy' with the request for 'Please tick any that apply, with an 'Other' (please specify) comments box to complete the question.

Question 8 – suggested that this question be deleted.

Question 9 – One respondent considered that Question 7 and Question 9 are similar, and that this question could read: What would assist your council in doing this? This is a fairly open-ended question and respondents may not know what could assist their council in developing the polic(ies). Therefore, this may require a list of suggestions with 'Please tick any that apply' with an 'Other' comments box.

Question 10 – All respondents considered this to be an important 'closure' of the survey, and one respondent suggested that the wording state: We would appreciate any comments you may wish to make.

2 respondents suggested other questions to be included in the final version of the survey instrument that may improve its data collection effectiveness:

1. How would your council benefit from social enterprise polic(ies)?
2. What are the benefits of social enterprise polic(ies)?
3. Do you consider social enterprise to be an important aspect of strategic development in local government?

Questions 1 and 2 are open-ended, and may require more thought and time to respond. These 2 questions are similar, and could be combined as Question 8 to read: What would be the benefits of social enterprise polic(ies) to your council? A list of possible benefits should be included together with an 'Other' (please specify)' box. Question 3 would require a simple YES or NO response.

Conclusions

All respondents considered that the type of questions and length of the survey was appropriate. This indicates that the survey was generally effective in gathering the data required. However, the suggested amendments and inclusion of other questions will augment the limited body of questions providing greater stability of responses. It is important that the survey remain as brief and easy to complete as possible, without compromising its effectiveness.

Upon reflection, it is suggest that the end of the preamble should include:

We thank you for your participation in this survey, and ask that you proceed to Question 1.

Question 10 is the final question, and the following would lead to the opportunity further comment:

Your participation is greatly appreciated and if you require any further information, please do not hesitate to call me on 0408 126 066 or email Mary.Duniam@utas.edu.au, or contact Associate Professor Robyn Eversole (Director, Institute for Regional Development UTAS) by email Robyn.Eversole@utas.edu.au or phone 6430 4519. We would appreciate any further comments you may wish to make. A comment box to be included.

This pilot study was a very valuable exercise in determining the effectiveness and efficiency of the survey instrument. Comments / suggestions endorsed the intent of the survey, as well as giving a good insight into the understanding participants have in relation to social enterprises.

The amended eSurvey questions are as follows:

This survey aims to collect information from local government in Tasmania of any relationship between local government and social enterprises. A report on the findings of this survey will be distributed to all councils in September. This will give a deeper understanding of social enterprises and how they could assist councils in developing policy, identifying opportunities and risks with community groups in the social enterprise sector and measuring social enterprise contribution to local economy and community development.

We define social enterprises by their 'mission to generate social and community benefit' and using 'trading activities to fulfil that mission' (Eversole and Eastley, 2011). Some examples are: Vincent Industries (Wynyard), Bonorong Wildlife Sanctuary (Brighton), Resource Work Cooperative Tip Shop (Hobart), and local Red Cross Shops.

If you require further information or would like assistance in completing this survey, please do not hesitate to call me on 0408 126 066 or email Mary.Duniam@utas.edu.au or contact Associate Professor Robyn Eversole (Director, Institute for Regional Development, IUTAS) by email Robyn.Eversole@utas.edu.au or phone 6430 4519.

We thank you for your participation in this survey, and ask that you proceed to Question 1.

1. Council Name (comment box provided)
2. Does your council collaborate with or work with community organisations that fit the definition of social enterprises (they conduct regular business or trading activities in order to generate social or community benefit)?
 - a. Yes
 - b. No
3. If YES, in what specific ways does your council work with social enterprises? (Choose all that apply)
 - a. Council-owned
 - b. Partnership
 - c. Shared service delivery
 - d. Shared ownership (Cooperative)
 - e. Supplier / social procurement arrangement
 - f. Financial support (grant, loan, direct investment etc.)
 - g. Infrastructure support (facilities and/or equipment)
 - h. Developmental / mentoring support
 - i. Consultative relationship
 - j. Other (please describe) (comment box provided)
4. In what areas do these social enterprises work? (Choose all that apply)
 - a. Culture and leisure (e.g. café, aquatic centre)
 - b. Family support (e.g. child care, youth services, recycled clothing)
 - c. Health support (aged care)
 - d. Environmental (e.g. waste recycling / Tip Shop)
 - e. Education (e.g. training)
 - f. Not Sure and/or Other (comment box provided)
5. What benefits does this relationship generate for council and/or the broader community? (Choose all that apply)
 - a. Additional services
 - b. Community and social benefit
 - c. Employment / work integration / volunteering
 - d. Training opportunities
 - e. Disability employment opportunities
 - f. Community engagement
 - g. Community innovation

- h. Community entrepreneurship
 - i. Community development
 - j. Other (please specify) (comment box provided)
6. Does your council have any policies related to social enterprise? Please tick any that apply
- a. General social enterprise policy
 - b. Social procurement policy
 - c. Reference to social enterprise in community support grant guidelines
 - d. No policies
 - e. Other (please specify) comment box provided
7. Is your council interested in developing social enterprise polic(ies)?
- a. General social enterprise policy
 - b. Social procurement policy
 - c. Other (please specify) (comment box provided)
8. What would be the benefits of social enterprise polic(ies) to your council?
- a. Community engagement
 - b. Social capital
 - c. Place-shaping
 - d. Strategic development
 - e. Economic and social development
 - f. Community development
 - g. Other (please specify) (comment box provided)
9. Do you consider social enterprise to be an important aspect of strategic development in local government
- a. Yes
 - b. No
 - c. Other comments (comment box provided)
10. Your participation is greatly appreciated. If you require any further information, please do not hesitate to call me on 0408 126 066 or email Mary.Duniam@utas.edu.au, or contact Associate Professor Robyn Eversole (Director, Institute for Regional Development, UTAS) by email Robyn.Eversole@utas.edu.au or phone 6430 4519. We would appreciate any further comments you may wish to make. (comment box provided)

EVERSOLE, R. & EASTLEY, K. 2011. Tasmanian Social Enterprise Study A Baseline Report. Tasmania: University of Tasmania

APPENDIX 2: UNDERSTANDING RELATIONSHIPS BETWEEN LOCAL GOVERNMENT AND SOCIAL ENTERPRISES IN TASMANIA

REPORT ON eSURVEY - PHASE ONE



Introduction

This eSurvey was phase one of a PhD which I am currently undertaking within the Institute for Regional Development (Cradle Coast Campus, UTas) to determine the existence of relationships between local government and social enterprises.

Social enterprises are defined primarily by their 'mission to generate social and community benefit' and using 'trading activities to fulfil that mission' (Eversole & Eastley, 2011).

In 2011, Eversole and Eastley conducted the *Tasmanian Social Enterprise Study: A Baseline Report*, primarily because of the lack of research into the social enterprise sector in Tasmania. This report identified that social enterprises exist in all twenty nine municipal areas of Tasmania, but that public awareness of this sector is low, which inhibits the development and growth of collaborative relationships with government, not-for-profit and private sectors.

The aim of this eSurvey is to fill an identified knowledge gap regarding existing relationships between local government and social enterprises.

Survey Results

The findings of this eSurvey give an interesting snapshot on the various ways councils already work with social enterprises. Social enterprises conduct their activities across a broad variety of areas, with 73.3% of respondents identifying family support as the predominant activity, and 40.0% of respondents identifying culture and leisure next in line. The activity areas in which social enterprises work appear to be rather opportunistic rather than having a coordinated strategic approach between local government and social enterprises. Regardless of this, councils have

identified that there are benefits in this relationship and that there is value in the activities undertaken by social enterprises. Interestingly, across the group of respondents nearly 86% of councils have no policies related to social enterprises while 100% of respondents say that social enterprise policies would benefit their council in the area of community engagement, community development, economic and social development and social capital. It is important to note that 100% of respondents are interested in developing social enterprise policies; with 92% of respondents indicating that social enterprise is an important aspect of strategic development in local government. This raises the question as to whether a more strategic approach to the relationship between local government and social enterprises could add value to local councils and local communities, and will be explored in the next stage of this research.

Next steps

Insight into knowledge and relationships between local government and social enterprises is the primary theme of this research report. The next step is to identify 3-5 case studies that will provide sufficient material for analysis on the current 'relationship' between local government and social enterprises. However, eSurvey responses so far identify limitations to the data and strongly indicate that a broader understanding of this relationship should be pursued to include elected representatives (from within the case studies) in order to build a clearer picture and framework for further research.

Acknowledgement

It is important at this point to acknowledge the input and support of Dr Katrena Stephenson (Local Government Association of Tasmania) in the distribution of survey information and encouragement for all councils to participate.

Methodology

This preliminary phase incorporated all twenty nine local governments in Tasmania, seeking a response to a brief eSurvey from each General Manager (or his/her delegate). Initial information was distributed through email to all councils by Katrena Stephenson of Local Government Association of Tasmania (LGAT) and the eSurvey was distributed through Survey Monkey for completion by 9th October 2013. An initial reminder was sent out via Survey Monkey on 9th October 2013, with a follow-up reminder by Katrena Stephenson on 16th September, extending the completion/submission date to 23rd September 2013. Data from this eSurvey will be used for

the selection of 3-5 case studies and more in-depth investigation into the nature and extent of relationships between local government and social enterprises.

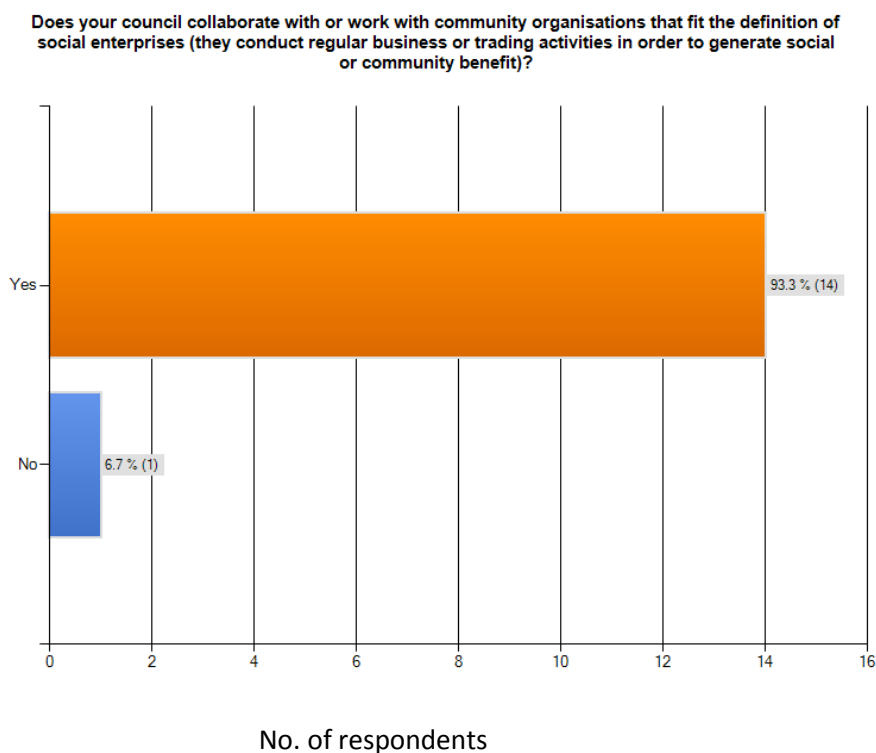
Key Findings

This study drew 15 respondents of the twenty nine councils in Tasmania, approximately 51.7%. (See results below.)

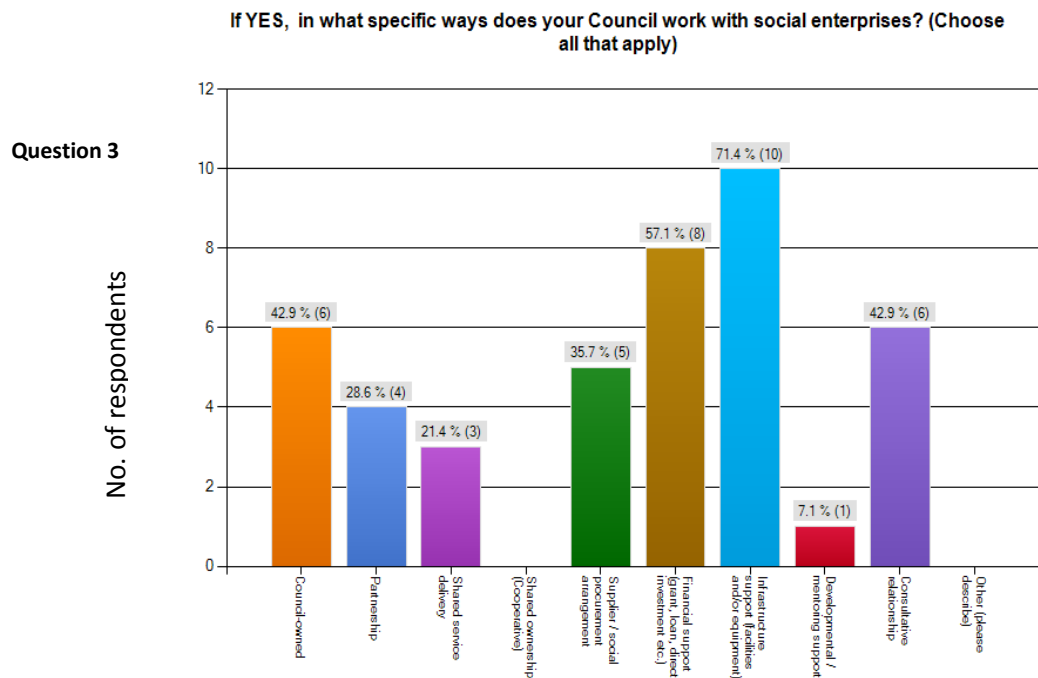
Question 1 sought the name of the Council.

In **Question 2**, 93.3% of respondents identified that their council collaborates with or works with community organisations that fit the definition of social enterprises, with only 1 council identifying that they were not actively engaged with social enterprises.

Question

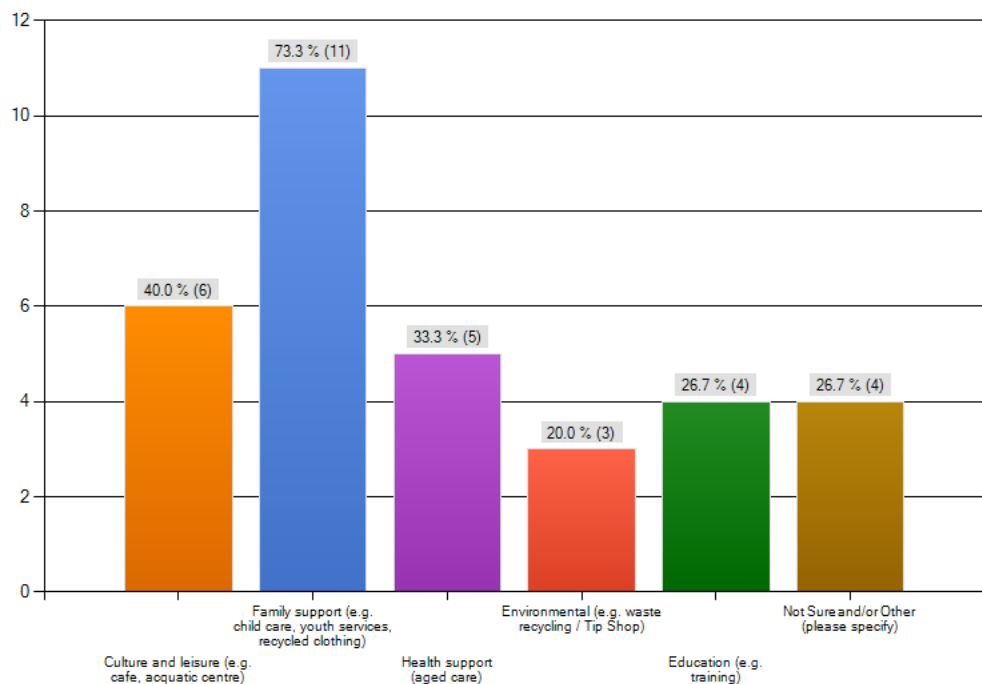


Question 3 identifies the ways in which councils do work with social enterprises, and the major focus in this arrangement appears to be *infrastructure support*, with *financial support* (grants etc.) scoring 57.1%, and only 1 respondent identified *developmental / mentoring support* scoring 7.1%. While there is a significant percentage (42.9%) of council-owned social enterprises, it is interesting to note that of the respondents' data indicates there are no shared ownership arrangements (cooperatives) between local government and social enterprises. 1 respondent skipped this question.



Question 4

In what areas do these social enterprises work? (Choose all that apply)



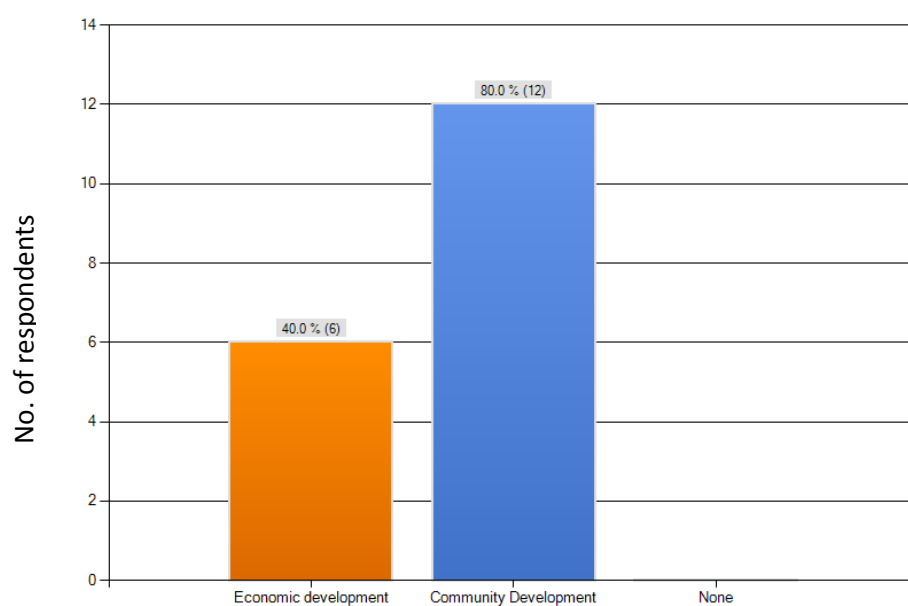
Responses to **Question 4** identify that social enterprises conduct their activities across a broad variety of areas, with *family support services* having the strongest focus. 'Other responses' include:

1. *simply not sure.*
2. *Not sure if we work with any social enterprises.*

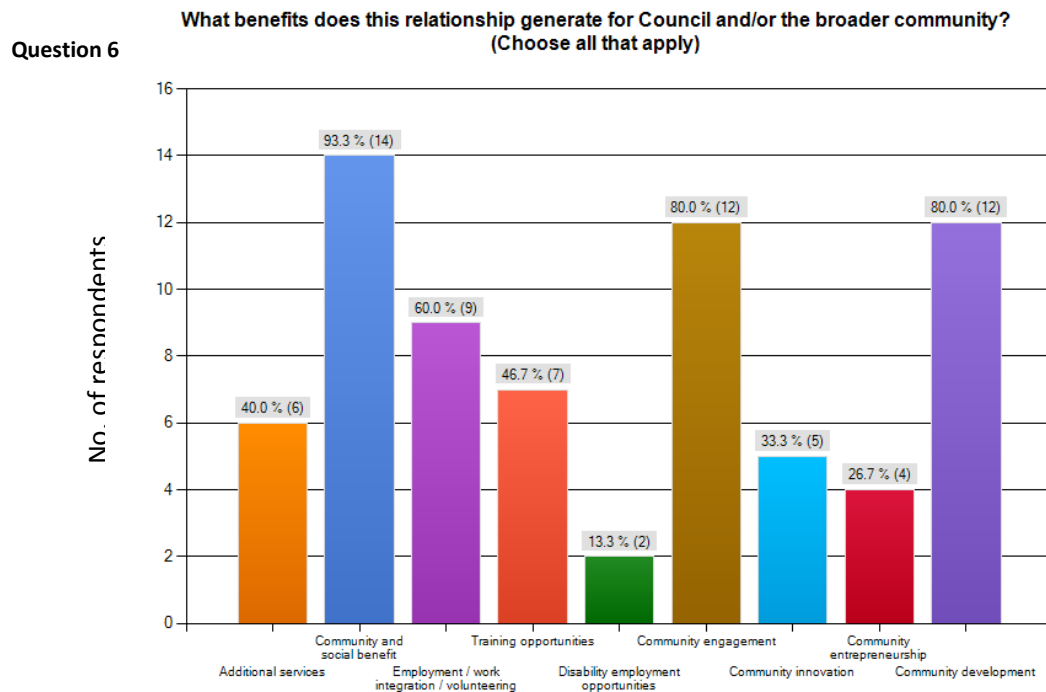
In **Question 5**, the majority of councils have placed the responsibility for social enterprises with the area of Community Development, rather than Economic Development.

Question 5

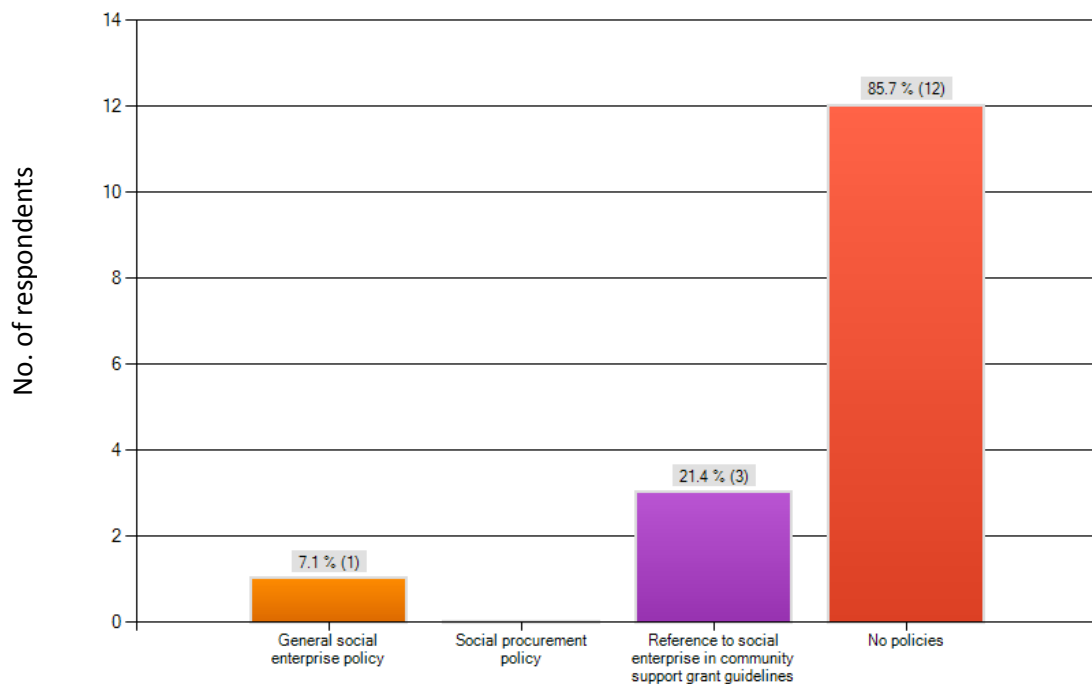
Which area or department of your Council has responsibility for social enterprises?



In **Question 6**, councils identified a variety of multiple benefits for councils and the broader community from relationships with social enterprises. The 3 highest scores include *community and social benefits* (93.3%), and both *community engagement* and *community development* (80%).



Question 7 Does your Council have any policies related to social enterprise? Please tick any that apply.



There were 14 respondents for **Question 7**, and 1 skipped response. Data identifies that very few councils have a *General Social Enterprise Policy*; in fact 85.7% of councils currently have *No Policies* relating to social enterprise, together with 0.0% social procurement policy. However, 21.4% have indicated that there is *Reference to social enterprise in community support grant guidelines*. 1 'other comment' was made:

1. *Our council does not have specific policies, but has through LGAT attempted to introduce policy or start discussion around policy that would support social enterprise.*

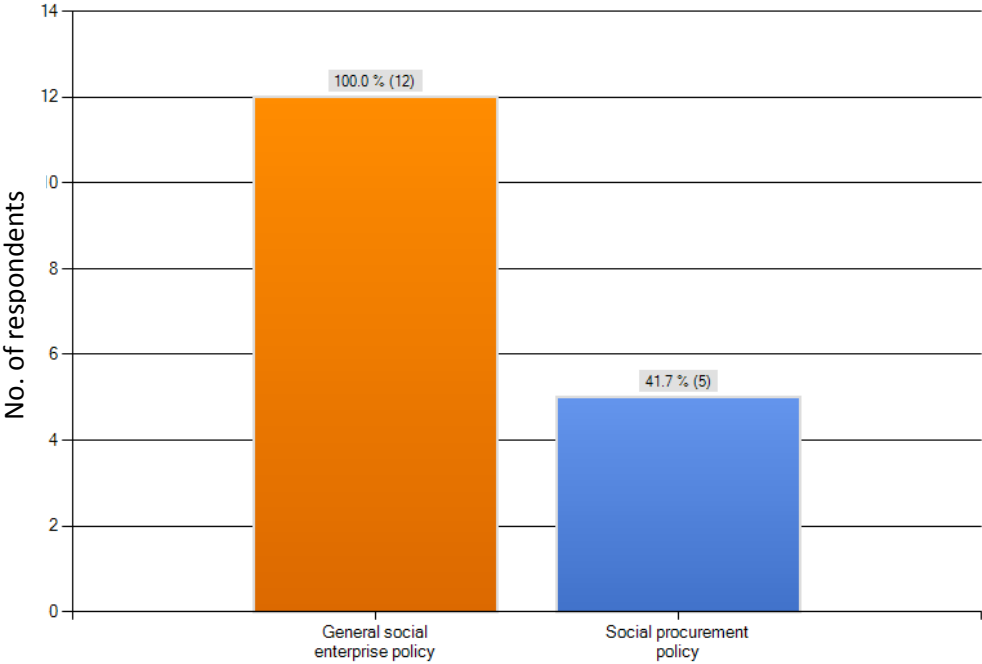
Question 8 reveals that 100% of councils are interested in developing *General social enterprise policy*, while only 41.7% are interested in the development of *Social procurement policy*. 12 responded to this question, while 3 skipped the question.

There were 4 'other responses':

1. *Not at this stage.*
2. *Possibly, this would involve lengthy discussion with elected members. Council is currently undergoing a strategic planning exercise; it is possible that one of the recommendations from that will be to engage more directly with social enterprises.*
3. *Would need to review draft policy*
4. *To a limited degree however policy for policy sake is an easy way to waste time and resource.*

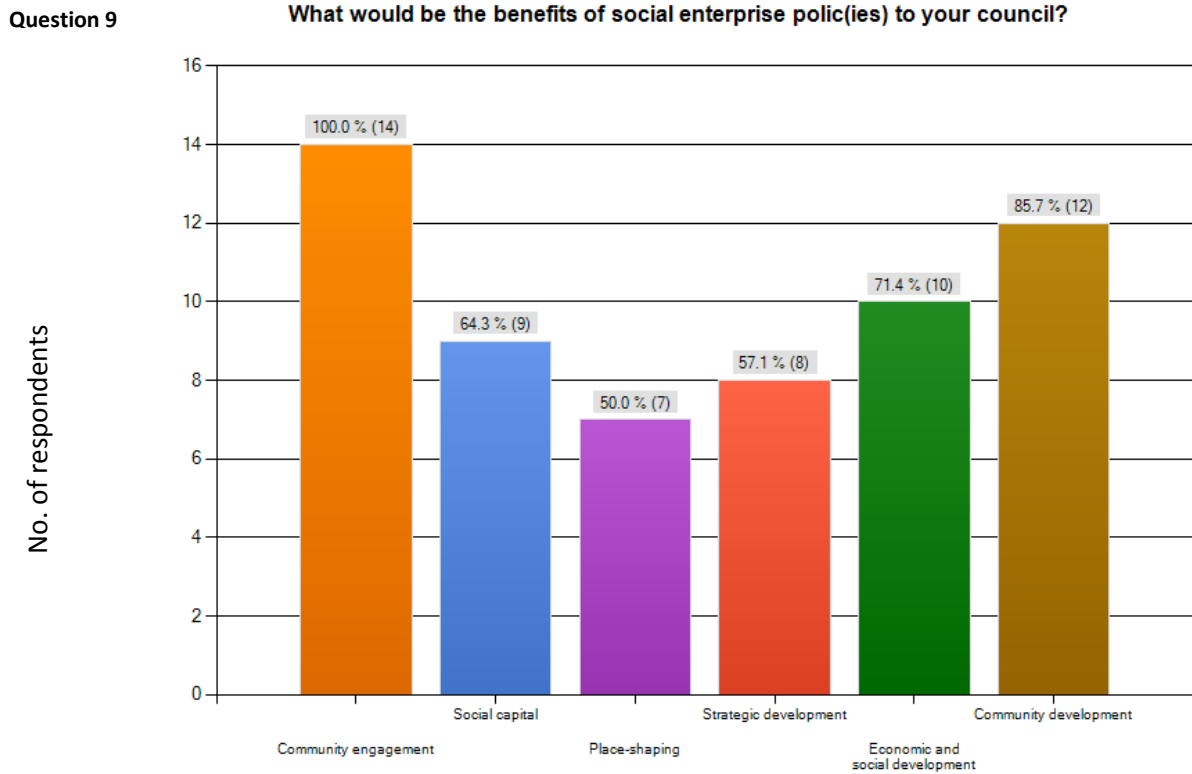
Question 8

Is your Council interested in developing social enterprise polic(ies)?



Question 9 identified what councils considered would be benefits of social enterprise polic(ies) to their council. The most significant outcomes were *community engagement* (100%), *community development* (85.7%), and *economic and social development* scoring (71.4%). There were 14 respondents to this question, and 1 skipped the question. ‘Other responses’ include:

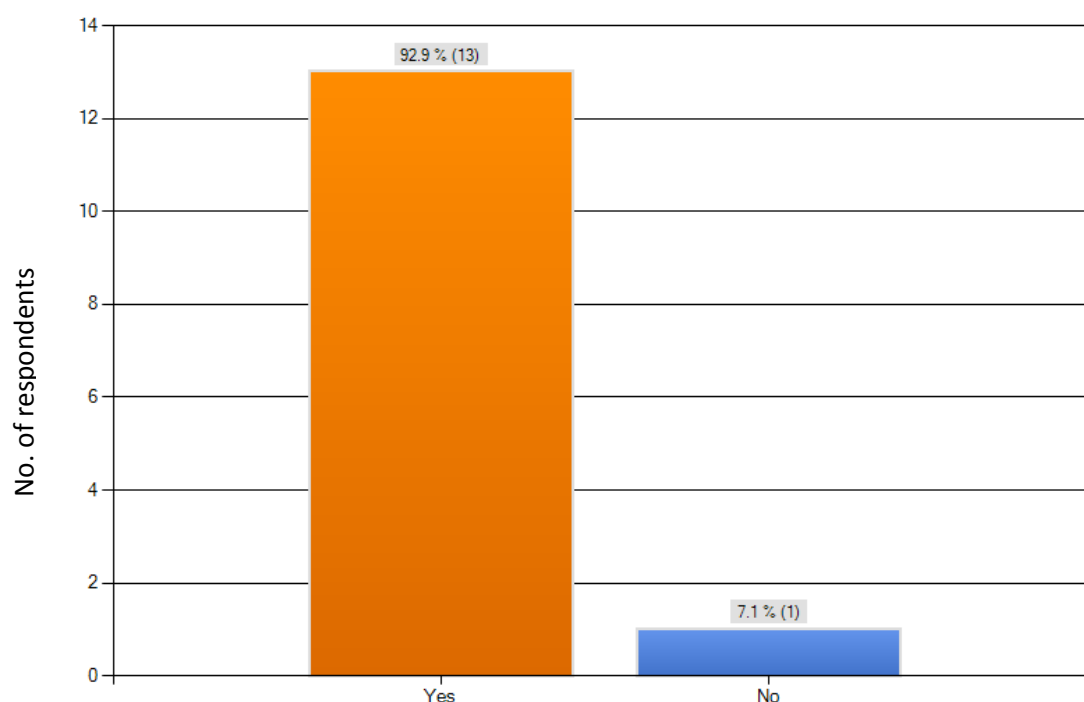
1. *Not required at this stage.*



There were 14 respondents to **Question 10** who rated social enterprises as an important aspect of strategic development in local government, and 1 respondent rated social enterprises as not important in this context. 1 skipped the question. ‘Other responses’:

1. *Not at this stage.*

Question 10 Do you consider social enterprise to be an important aspect of strategic development in local government?



Conclusion

The results of this survey are interesting; particularly with 93.3% of respondents identifying that they do work with or collaborate with organisations that fit the definition of social enterprises. While 42.9% of social enterprises are council-owned, and 42.9% have a consultative relationship with social enterprises, it is in the area of *infrastructure* and *financial support* with a score of 71.4% where there appears to be a much greater collaboration between councils and social enterprises.

The activities of social enterprises identified by councils appear to focus strongly on *family support* (child care, etc.). It is unclear from the data as to why *family support* is the predominant activity in the relationship between local government and social enterprises, and this will be taken into consideration in future research of this study. The comment from one respondent: *Not sure if we work with any social enterprises* may indicate low level understanding of social enterprises in general and/or confusion about classification of enterprise activities.

Major benefits from relationships with social enterprises identified by councils include *community and social, community engagement and community development* placing council responsibility for the relationship into *Community Development* rather than *Economic Development*. Other benefits such as *Employment / work integration / volunteering* and *Training opportunities* are

closely aligned and also fit neatly into the *Community Development* context. While councils have also identified that *additional services* may be a benefit to themselves and the broader community, the data does not explore what opportunities may exist in this context, and should be researched further.

The fact that 85.7% of councils (14 respondents, 1 skipped) have identified they have no policies relating to social enterprises, may indicate that knowledge of social enterprises and knowledge of the value of the relationship between social enterprises and local government has so far been of low priority. Of the 12 respondents (3 skipped), all councils indicate that they wish to develop social enterprise policies, including 41.7% wishing to develop social procurement policies. Interestingly, 14 respondents (1 skipped) have identified that *community engagement* is a major benefit of social enterprise policies, together with *community development* and *economic and social development*. It should be noted, however, that 1 council did indicate an attempt at discussing social enterprise policy at least.

Councils do appear to understand the value to their council of social enterprise policies, particularly *community engagement* and *community development*, together with *economic and social development*. This gives emphasis to the significant potential of building relationships between councils and social enterprises in creating social and economic value for councils and the broader community. However, *Place-shaping* is not rated so highly for inclusion in social enterprise policies that would benefit councils.

Mixed data indicates that some councils have more knowledge about social enterprises and possibly stronger relationships with social enterprises than others. Prior research by Eversole and Eastley (2011), Duniam and Eversole (2013) and McNeill (2009) indicates strongly that public knowledge about social enterprises is low, and this survey confirms this position to a degree identifying that further research into the extent of council knowledge of social enterprises and what variables may influence this knowledge about social enterprises should be included in the study.

Knowledge acquired and analysed from this eSurvey gives councils insight into what they already do with social enterprises. This sets the scene for more in-depth research into the contribution each entity makes towards value creation and more importantly the contribution the relationship

between local government and social enterprises makes towards value creation and place-shaping within the broader community.

DUNIAM, M. & EVERSOLE, R. 2013. Social Enterprises and Local Government: A Scoping Study. Australian Centre of Excellence for Local Government.

EVERSOLE, R. & EASTLEY, K. 2011. Tasmanian Social Enterprise Study A Baseline Report. Tasmania: University of Tasmania

MCNEILL, J. 2009. How the public sector can support growth and sustainability in social enterprise activity. Winston Churchill Memorial Trust of Australia.

APPENDIX 3: UNDERSTANDING RELATIONSHIPS BETWEEN LOCAL GOVERNMENT AND SOCIAL ENTERPRISES IN TASMANIA – Selection of Case study councils

This report identifies the 15 of twenty nine councils in Tasmania (Fig. 1) which responded to the eSurvey.

The responses from the eSurvey – phase one were analysed and rated primarily against 4 Key questions:

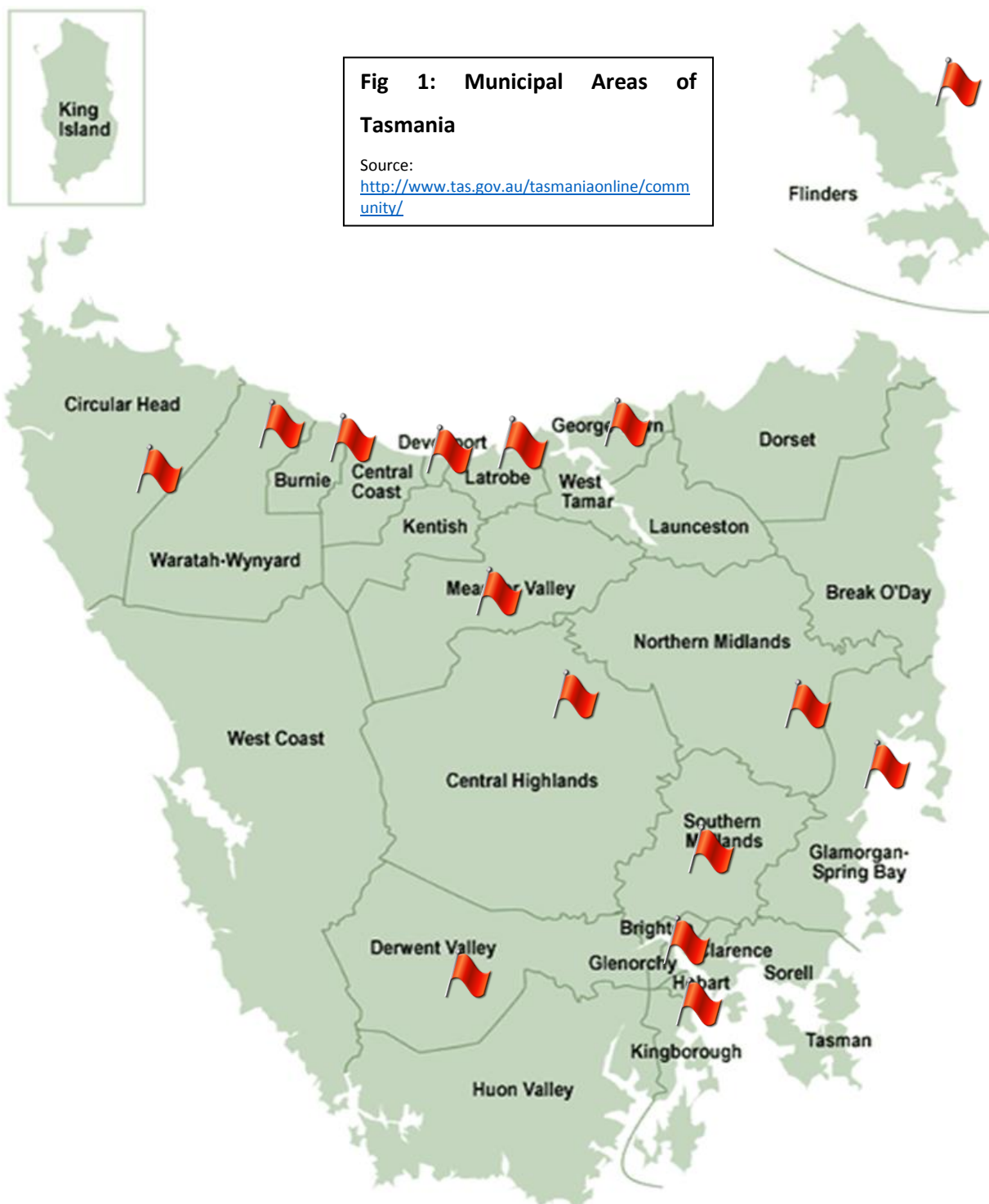
Question 3: *In what specific ways does your council work with social enterprises?*

Question 4: *In what areas do these social enterprises work?*

Question 5: *Which area or department of your council has responsibility for social enterprises?* .

Question 7: *Does your council have any policies related to social enterprises?*

Based on knowledge, extent and nature of council relationships with social enterprises, 7 councils have been selected for further analysis to select 3-4 potential case studies. In addition to this, location of these 7 councils has been considered as important in the context of geographical spread.



Responses to the 4 key questions are set out in tables below:

Table 1: Question 3

In what specific ways does your council work with social enterprises?							
Council name	Council owned	Supplier / procurement arrangement	Financial support (grant, loan, etc.)	Infrastructure Support	Consultative relationship	Partnership	Shared Service Delivery
Waratah-Wynyard Council	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Glamorgan-Spring Bay Council		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Glenorchy City Council		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Burnie City Council	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		
Northern Midlands Council							
West Tamar Council	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>			
Meander Valley Council			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			

Table 2: Question 4

Council name	Family support (child care, youth services, recycled clothing)	Health support (aged care)	Culture and leisure	Environmental	Education (eg training)	Not sure - other
Waratah-Wynyard Council	<input checked="" type="checkbox"/>					
Glamorgan-Spring Bay Council	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Glenorchy City Council	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Burnie City Council	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Northern Midlands Council						
West Tamar Council	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		
Meander Valley Council			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		

Table 3: Question 5

Which area or department of your council has responsibility for social enterprises?		
Council Name	Economic Development	Community Development
Waratah-Wynyard Council		<input checked="" type="checkbox"/>
Glamorgan-Spring Bay Council	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Glenorchy City Council	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Burnie City Council	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Northern Midlands		<input checked="" type="checkbox"/>
West Tamar Council		<input checked="" type="checkbox"/>
Meander Valley Council	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input checked="" type="checkbox"/>

Table 4: Question 7

Does your Council have any policies related to social enterprise?				
Council name	General social enterprise policy	Social procurement policy	Reference to social enterprise in community support guidelines	No policies
Waratah-Wynyard Council				<input checked="" type="checkbox"/>
Glamorgan-Spring Bay Council			<input checked="" type="checkbox"/>	
Glenorchy City Council	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Burnie City Council				<input checked="" type="checkbox"/>
Northern Midlands Council				<input checked="" type="checkbox"/>
West Tamar Council				<input checked="" type="checkbox"/>
Meander Valley Council				<input checked="" type="checkbox"/>

Analysis / Discussion

Firstly, data in Table 1: Question 3 indicates that Waratah-Wynyard Council, Glamorgan-Spring Bay Council and Glenorchy City Council have identified at 5 ways of working with social enterprises. Secondly, Table 2: Question 4 indicates the variety of areas social enterprises work within. Note that Northern Midlands Council did not indicate working with social enterprises, nor what areas social enterprises work. Interestingly, the overall combination of data from Table 1 and Table 2 indicates a good understanding by 6 of 7 councils of what their relationship is with social enterprises.

However, the extent of that relationship may be influenced by location and population base and may not be a true reflection of knowledge and relationship with social enterprises. Population was not included in the eSurvey, but for the purpose of possible broader analysis contributing towards case study selection, Table 5: Population Municipal Areas is included for consideration.

Table 5: Population Municipal Areas

Municipal area	Populations
Glenorchy	44,716
West Tamar	22,699
Burnie	19,892
Meander Valley	19,747
Waratah-Wynyard	14,096
Northern Midlands	12,726
Glamorgan-Spring Bay	4,057

Source: www.abs.gov.au as at 31/03/2011

Note that Glamorgan-Spring Bay which has the lowest population has identified 5 specific ways it works with social enterprises and similarly, Glenorchy City Council with the highest population also identified 5 specific ways it works with social enterprises; whereas West Tamar Council with the second highest population identified only 2 specific ways of working with social enterprises.

Fig. 1 identifies location of municipal areas and at this point, it should be noted that while the 7 nominated councils provide a good geographical spread, selection of only 3 – 4 case studies will need to focus on location to cover as broad an area as possible. Waratah-Wynyard Council and

Burnie City Council are both located in the North West, and Northern Midlands, West Tamar and Meander Valley Councils are all located in the North. Glamorgan-Spring Bay is on the East Coast, with Glenorchy City Council is placed squarely among highly urbanised areas [cities] in the South.

It may be of benefit to consider both geographical location and diversity of population base when selecting case studies.

Data from Table 3: Question 5 is important in the context of understanding where councils 'fit' the responsibility for social enterprises. It is interesting to note that 4 out of 7 have placed social enterprises within Economic Development; 6 out of 7 have placed social enterprises within Community Development; and 3 out of 7 have a combination of both Economic Development and Community Development.

In Table 4: Question 7, only 2 of the 7 nominated councils identify policies relating to social enterprise, with none having policies to support social procurement. Only Glamorgan-Spring Bay and Glenorchy City Council identify *Reference to social enterprise in community support guidelines*, and Glenorchy City Council is the only council that has a *General social enterprise policy*. This data determines which councils have policies that reflect the principles of social inclusion, particularly in the context of the definition of social enterprises as having a 'mission to generate social and community benefit' and using 'trading activities to fulfil that mission' (Eversole and Eastley, 2011).

Case study selection

It is suggested that 4 councils be selected as case studies for the following reasons:

1. Glenorchy City Council
 - a. Identified good understanding of their relationship with social enterprises and the way these social enterprises work;
 - b. This council has a *General social enterprise policy* and *reference to social enterprise in community support guidelines*; and
 - c. Is located in the South, adjoining highly urbanised areas [cities].
2. Glamorgan-Spring Bay Council
 - a. Identified good understanding of their relationship with social enterprises and the way these social enterprises work;
 - b. Places the responsibility for social enterprises within both Economic Development and Community Development;
 - c. Makes *Reference to social enterprise in community support guidelines*; and
 - d. The municipal area has a small population base and is situated in a remote region of Tasmania.
3. Burnie City Council
 - a. Identified good understanding of their relationship with social enterprises and the way these social enterprises work;

- b. Places the responsibility for social enterprises within both Economic Development and Community Development; and
 - c. The municipal area has a medium range population base, and is situated in North West Tasmania.
- 4. Meander Valley Council
 - a. Identified good understanding of their relationship with social enterprises and the way these social enterprises work;
 - b. Places the responsibility for social enterprises within both Economic Development and Community Development; and
 - c. The municipal area has a medium range population base, and is situated in the Northern region of Tasmania.

Knowledge acquired from these case studies will give further insight into what they already do with social enterprises, increasing knowledge about the contribution each entity [councils and social enterprises] make towards value creation, place shaping and community and economic development.

Note that Glamorgan-Spring Bay which has the lowest population has identified 5 specific ways it works with social enterprises and similarly, Glenorchy City Council with the highest population also identified 5 specific ways it works with social enterprises; whereas West Tamar Council with the second highest population identified only 2 specific ways of working with social enterprises.

Fig. 1 identifies location of municipal areas and at this point, it should be noted that while the 7 nominated councils provide a good geographical spread, selection of only 3 – 4 case studies will need to focus on location to cover as broad an area as possible. Waratah-Wynyard Council and Burnie City Council are both located in the North West, and Northern Midlands, West Tamar and Meander Valley Councils are all located in the North. Glamorgan-Spring Bay is on the East Coast, with Glenorchy City Council is placed squarely among highly urbanised areas [cities] in the South.

It may be of benefit to consider both geographical location and diversity of population base when selecting case studies.

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Case study selection

It is suggested that 4 councils be selected as case studies for the following reasons:

5. Glenorchy City Council
 - a. Identified good understanding of their relationship with social enterprises and the way these social enterprises work;
 - b. This council has a *General social enterprise policy* and *reference to social enterprise in community support guidelines*; and
 - c. Is located in the South, adjoining highly urbanised areas [cities].
6. Glamorgan-Spring Bay Council
 - a. Identified good understanding of their relationship with social enterprises and the way these social enterprises work;
 - b. Places the responsibility for social enterprises within both Economic Development and Community Development;
 - c. Makes *Reference to social enterprise in community support guidelines*; and
 - e. The municipal area has a small population base and is situated in a remote region of Tasmania.
7. Burnie City Council
 - a. Identified good understanding of their relationship with social enterprises and the way these social enterprises work;
 - b. Places the responsibility for social enterprises within both Economic Development and Community Development; and
 - c. The municipal area has a medium range population base, and is situated in North West Tasmania.
8. Meander Valley Council
 - a. Identified good understanding of their relationship with social enterprises and the way these social enterprises work;
 - b. Places the responsibility for social enterprises within both Economic Development and Community Development; and
 - c. The municipal area has a medium range population base, and is situated in the Northern region of Tasmania.

Knowledge acquired from these case studies will give further insight into what they already do with social enterprises, increasing knowledge about the contribution each entity [councils and social enterprises] make towards value creation, place shaping and community and economic development.

Mary Duniam
PhD Candidate
Institute for Regional Development
Cradle Coast Campus
University of Tasmania
09/10/13

APPENDIX 4: UNDERSTANDING THE RELATIONSHIP BETWEEN LOCAL GOVERNMENT AND SOCIAL ENTERPRISES IN TASMANIA: QUESTIONS FOR LOCAL GOVERNMENT (ELECTED REPRESENTATIVES AND COUNCIL OFFICERS)

1. The role of local government into the future – what do you envisage this will be?
2. What is your understanding of a sense of place?
3. What is your understanding of public/social value in the context of sense of place?
4. What are the mechanisms your council uses to create public/social value in the context of sense of place?
5. What is your understanding of social enterprises?
6. What do you know of the social enterprises your council partners with?
7. Why were these partnerships formed?
8. What are the objectives of these social enterprises?
9. What do you consider is the role of your council in its partnership with social enterprise/s?
10. In what ways is your council involved in growing the local social investment market for social enterprises?
11. What role has your council played in the development/growth of social enterprises in your community?
12. What type of support did / can your council give these social enterprises in their development?
13. What benefit/s are social enterprises to the broader community?
14. What benefit/s do you see in the relationships between your council and social enterprises to the broader community?
15. Does your council have any policies that use 'social clauses' that encourage collaborative relationships with social enterprises? If so what are they?
16. If your council does not have any policies that use 'social clauses' that encourage collaborative relationships with social enterprises, should they be developed and what would they look like?

APPENDIX 5: SOCIAL ENTERPRISE TYPOLOGIES: MATRIX FOR ANALYSIS AND CASE STUDY SELECTION

Each of the social enterprises identified from interviews with local government case studies have been placed into categories or typologies as determined by Social Traders Australia (<http://www.socialtraders.com.au/social-enterprise-typology>)

Hybrid: Most social enterprises do not neatly fit into the typologies presented, often mixing and matching characteristics from many typologies in order to meet the needs they have been developed to address -

Enterprise	Council	Characteristics	Relationship
ERAG (Economic Renewal Action Group)	MVC	Early stages of formation with a purpose to identify business opportunities to meet economic and social needs of community. Initiated by the council, now community-run.	<ul style="list-style-type: none"> • MOU • To be run autonomously from council • Council will provide mentoring support if requested.
Deloraine Craft Fair ANNUAL EVENT	MVC	A Rotary annual event, and is self-funded through sale of stall space etc. Council provides significant in-kind support through provision of venues, street cleaning etc.	<ul style="list-style-type: none"> • Informal • Operates autonomously from council
Deloraine on the Move	MVC	A business group that have developed a 'buy local' scheme through the sale of local business vouchers. Council provided seed funding to get the program started.	<ul style="list-style-type: none"> • Informal • Operates autonomously from council
SeaFest ANNUAL EVENT	GSB	Collaborative community event between council, local High School and community with a purpose to provide training and development activities for youth of area, ie commercial and sporting.	<ul style="list-style-type: none"> • Informal • Operates collaboratively

France to Freycinet ANNUAL EVENT	GSB	A food and wine festival, run by local Lions Club where profit from food and wine sales goes back into the Community	<ul style="list-style-type: none"> • Informal • Operates autonomously from council • Receives in-kind support for event from council.
Pulchella Plant Nursery	GSB	NRM Department in process of acquiring this business in order to have access to native plants, and sell to the public. It is proposed that this enterprise would employ people to undertake weed control in the area with profits to go back into sustaining the business. This initiative is still in the pipeline.	<ul style="list-style-type: none"> • Formal • Run by council
Bicheno Information Centre	GSB	Initiated by council, to provide tourist information and services, and souvenirs. Accommodation sold on commission basis, and advertising space for local tourism operators.	<ul style="list-style-type: none"> • Formal • Run by council
Childcare facilities	GSB	Initially run by council, now run by Northern Child Care to provide child care services in the area	<ul style="list-style-type: none"> • Formal to informal • Operates autonomously from council
Burnie Children's Services	BCC	A long-standing council initiative to provide child care services in this municipality, and designed on a user-pays principle.	<ul style="list-style-type: none"> • Formal • Council run
Burnie Autism Centre	BCC	A council initiative to provide a service to support families with children who fit the autism spectrum syndrome. This is a user-pays service, and supported with Federal funding.	<ul style="list-style-type: none"> • Formal • Council run

Glenorchy City Tip Shop	GCC	An enterprise that encourages recycling through on-selling used items.	<ul style="list-style-type: none"> • Formal • Contractual relationship with council
AGFEST ANNUAL EVENT	MVC	An annual event run by Rural Youth Tasmania. Trading activity through stall/space rentals. Managed by a committee, but does provide employment of full-time manager, and casual staff during event.	<ul style="list-style-type: none"> • Informal • Operates autonomously from council

Cooperatives, Associations and Mutuels: Member benefit businesses which are formed to meet defined social needs of members, ie childcare, housing

Enterprise	Council	Characteristics	Relationship
The Cooperative	GSB	A community venture to sell locally-made products on commission basis.	<ul style="list-style-type: none"> • Informal • Initial seed funding provided by council
Bicheno Health & Resource Centre	GSB	A council initiated enterprise in an endeavour to attract and retain doctors and medical services to the area. It is managed by a local committee that raises funds to purchase equipment to support this Medical Centre. Council provide premises, accommodation and car for doctors at a reduced lease rates.	<ul style="list-style-type: none"> • Formal • Operates autonomously from council

Fair Trade Organisations: Businesses that exist to benefit producers and workers in developing countries by paying fair prices for products and commodities which they on-sell in developed countries -

Enterprise	Council	Characteristics	Relationship

Charitable Business Ventures: Commercial businesses established by charities to generate revenue which is reinvested in their charitable purpose

Enterprise	Council	Characteristics	Relationship
Deloraine Aged Care (May Shaw)	MVC	Council initially funded the construction of 10 independent living units at Deloraine and Westbury; loan has now been repaid. This facility provides aged care, independent and affordable living accommodation for ageing demographic in municipality.	<ul style="list-style-type: none"> • Formal to informal • Operates autonomously from council
The OpShop	GSB	Run by local church using volunteers and funds go back to Church	<ul style="list-style-type: none"> • Informal
May Shaw Aged Care Facility	GSB	Initially managed by council, now operated by May Shore Aged Care Group to provide accommodation and health care to ageing demographic. This facility also provides an Accident and Emergency facility for the whole community.	<ul style="list-style-type: none"> • Formal to informal • Operates autonomously from council
Umina Park Aged Care	BCC	Operates independently from council (Anglican Church), providing aged care, independent and affordable living accommodation for ageing demographic in municipality.	<ul style="list-style-type: none"> • Formal to informal • Operates autonomously from Council • Council did provide a significant loan to assist viability issues at the time.

Community Enterprise: Businesses set up to provide benefits to the community in which they are located, ie community buy-outs

Enterprise	Council	Characteristics	Relationship
Studio Be	MVC	An initiative to fill a gap in training of youth from local High School in studio recording and associated skills. Council provided business mentoring and access to premises. The enterprise is self-funded by selling recording opportunities etc.	<ul style="list-style-type: none"> • Formal to informal • Operates autonomously from council, but re-establishes relationship when need arises.
Western Tiers Film Society	MVC	A community initiative established to provide a local cinema and is self-funded through ticket-sales. This enterprise is endeavouring to acquire council property through a formal arrangement.	<ul style="list-style-type: none"> • Informal to formal • Operates autonomously from Council • Endeavouring to acquire a small theatre from Council in Deloraine Community Complex.
Meander Valley Dining Experience	MVC	A community initiative to provide 'pop-up' restaurant dining experiences as most restaurants have closed down. Professional chef caters at a cost to diners.	<ul style="list-style-type: none"> • Informal • Operates autonomously from council

Community Newspaper	MVC	Initiated by council in collaboration with Deloraine Online Access Centre to provide a local community newspaper to fill a gap after Examiner Newspaper ceased production of 'Around the Region' supplement in local news. This enterprise will fill a communication and service gap for the community, and will be self-funded through sale of advertising.	<ul style="list-style-type: none"> • Formal • Collaboration with council
The Village	GSB	A community-built facility and managed by community. It is self-funded by renting out facilities for meetings, art exhibitions, markets etc.	<ul style="list-style-type: none"> • Formal to informal • Council assisted in establishment with funding etc.
The Orford Odeon	GSB	A local community cinema / film society operated in collaboration with local High School.	<ul style="list-style-type: none"> • Informal • Community collaboration with local High School • Some in-kind support and funding provided by council.
Burnie Community House and Garden	BCC	A council initiative providing a swathe of programs for single parents, youth, children and unemployed. This enterprise is now selling products (garden seeds, garden produce, craft goods etc.) with profits going back to the Community House and community.	<ul style="list-style-type: none"> • Informal • Council continues to assist with in-kind assistance and funding from time to time.

Emu Valley Rhododendron Gardens	BCC	A community initiative to develop a specialised flora garden. This enterprise trades through sale of plants and hiring out of facilities for meetings, weddings, etc.	<ul style="list-style-type: none"> • Informal • Operates autonomously from council • Council has provided funding from time to time
Produce to the People	BCC	A community-initiated enterprise that provides excess garden produce to the community. This enterprise is run solely by volunteers, but does not trade to fulfil its social mission.	<ul style="list-style-type: none"> • Informal • Council provided a vehicle
Burnie Farmers' Market	BCC	A community initiative, where individuals sell farm/garden produce to the community at regular markets. This is not an entity as such, but does give an opportunity for generating social capital and social interaction.	<ul style="list-style-type: none"> • Informal • Council did provide some initial funding assistance as well as continuing to provide a venue at Wivenhoe Showgrounds
GASP (Glenorchy Art/Sculpture Park)	GCC	GASP in collaboration with GCC are working on a project for long-term unemployed youth, to set up a social enterprise and train youth in hospitality and running a café on the waterfront at the Glenorchy Art/Sculpture Park). Awaiting Federal funding, and still in concept stage.	<ul style="list-style-type: none"> • Formal MOU • Collaborative relationship with council providing a full-time staff member and equipment to develop / maintain actual infrastructure.

Australian Disability Enterprises: Businesses developed to employ people with a disability that are unable to work in mainstream businesses

Enterprise	Council	Characteristics	Relationship
Aurora Disability Services	GCC	Provide jobs for people in cafe	<ul style="list-style-type: none"> • Informal • Operates autonomously from council • Council provided premises at reduced rental rate.
Oak Disability Services	GCC	Established a café to employ people with an intellectual disability.	<ul style="list-style-type: none"> • No formal relationship • Operates autonomously from council

Community Development Finance Institutions: Financial institutions that provide products and services to individuals, organisations and communities who have difficulty accessing mainstream finance.

Enterprise	Council	Characteristics	Relationship
Bendigo Bank	MVC	Council has a policy to invest a certain percentage of council funds in this community bank. Shareholders of this enterprise receive only 20% dividends/profits; the remainder is ploughed back into the community.	Formal

Intermediate Labour Market Companies: Businesses that undertake commercial work in order to train, support and employ disadvantaged job seekers and then transition them into mainstream jobs.

Enterprise	Council	Characteristics	Relationship
N/A			

Each of the enterprises discussed in the interviews have been placed in a typology category. Those in the Hybrid section do require more in-depth scrutiny, because I was not sure as to whether some of them are even social enterprises. This raises an interesting question about the perspectives of social enterprises, and the priority of motivations of social enterprises. Social traders identify the motivations of social enterprises as being:

- employment (businesses that provide employment, training and support for marginalised groups);
- service delivery (businesses that create or retain services in direct response to social or economic needs in the community); and
- income generation (businesses that generate profits to support other community or not for profit organisational activities).

From the discussions with the 4 local government council case studies, it does appear that social mission and/or service delivery is the first consideration when reflecting on what social enterprises exist in any one community. Hence the inclusion of all entities listed above. Apart from ERAG (Economic Renewal Action Group – MVC), all identified social enterprises generate a profit to fulfil their social mission (apart from Produce to the People) – including community events (Barraket et al., 2012). From analysis of each nominated social enterprise, it is suggested that all identified entities, apart from ERAG, are worthy of further investigation. It is also suggested that interviews be limited to 2 related social enterprises per local government case study.

The chosen social enterprises are Glamorgan-Spring Bay: Bicheno Health & Resource Centre and the Orford Odeon; Burnie City Council: Burnie Community House & Market Garden and Emu Valley Rhododendron Gardens; Glenorchy City Council: Aurora Disability Services and GASP! Mobile; and Meander Valley Council: StudioBe and Deloraine Film Society. It is imperative then to interview and analyse each nominated social enterprise against the following characteristics: location, social mission, reason/s for establishment, business model, governance model, trading activities, funding support, employment/training initiatives (volunteers), and relationship with local government.

APPENDIX 6: UNDERSTANDING THE RELATIONSHIP BETWEEN SOCIAL ENTERPRISES AND LOCAL GOVERNMENT IN TASMANIA: QUESTIONS FOR SOCIAL ENTERPRISE CASE STUDIES (CEOs AND MANAGERS)

1. How would you describe your organisation?
2. How was your organisation established and for what reason?
3. Does your organisation have a social mission, and if so could you please explain what it is?
4. Does your organisation, or any part of your organisation, undertake any trading activities to fulfil this social mission?
5. Would you consider your organisation (or part of your organisation) to be a social enterprise?
 - a. If so – why?
 - b. If not – why not?
6. What is the nature of your organisation's relationship with your local council?
7. What role if any did your local council play in setting up your organisation/enterprise?
8. Do you have any documentation relating to this relationship with your local council?
9. Who participates in decision-making about your enterprise?
10. How many paid employees do you have in your enterprise?
11. How many volunteers work within your enterprise?
12. Does your enterprise have a working relationship with other similar enterprises?
13. Does your enterprise access any funding streams from local, State and/or Federal governments? If so, what type? (Grants, training subsidy, contract for services, etc.)
14. Does your enterprise fill service delivery gaps for local, State or Federal governments? If so, what are they?
15. What sort of future relationship would you like between your enterprise and your council?
 - a. What do you think it would look like?